

# The NATIONAL UNDERWRITER

[[ *MORE THAN INDEMNITY—*  
*The Insurance Industry Serves The Community* ]]

## Job Placement For The Disabled



**T**HOUSANDS OF DISABLED VETERANS are already knocking at the doors of industry. Studies now in progress reveal some highly satisfactory examples of employment—and some cases of complete misplacement.

Case #1. Bill Jones was a veteran. His battle wound was epilepsy. Employed in a factory maintenance department, the foreman was told to "watch him." Bill felt fine, but one day he climbed a ladder to fix a steam pipe. He fell—was killed.

Case #2. Jim Carter lost a leg in a Pacific jungle. But Jim took a job at a lens grinding machine, doing precision work requiring finger dexterity. His artificial leg got him to work and back. On the job his fingers netted him over-the-quota bonuses. Jim is happy and productive.

The National Conservation Bureau is preparing a booklet for employers to show the basic steps necessary for the proper employment of the disabled—whether veteran or civilian. The physical requirements of various jobs will be analyzed on charts showing the extent to which they require standing, sitting, walking, climbing, stooping, pulling, good vision, etc. Such charts can then be matched with charts covering physical capacities of the worker. The resulting placements should put men in jobs they can do productively—and safely.

Through studies like these the Casualty Insurance Industry helps employers and employees to reach their common goal of safer working conditions for the individual, more efficient production for industry, and the widest possible employment of disabled veterans.

*A Comprehensive*



*Reinsurance Service*

*Casualty and Bonding Lines*

**GENERAL REINSURANCE  
CORPORATION**

*Fire and Allied Lines*

**NORTH STAR REINSURANCE  
CORPORATION**

90 John Street, New York 7 • 200 Bush Street, San Francisco 4

**THURSDAY, APRIL 26, 1945**



## DON'T SEND A BOY TO DO A MAN'S JOB

THIS big job looks like rough going for such a small boy. It's rough going, too, for your clients if their policy isn't big enough to cover their fire loss. Don't send a small policy to do a big job.

# The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD  
MECHANICS AND TRADERS INSURANCE COMPANY

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK  
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICE: HARTFORD, CONNECTICUT

WESTERN DEPARTMENT

175 WEST JACKSON BLVD., CHICAGO 4, ILL.



PACIFIC DEPARTMENT

234 BUSH ST., SAN FRANCISCO 20, CALIF.

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## Shaky Truck Lines Spotted by Central Analysis Bureau

**85% of Insurers  
Subscribe to Cut Losses  
Under I.C.C. Endorsement**

NEW YORK—About 85% of the companies insuring truck line cargo business are now subscribers to the Central Analysis Bureau which was recently set up to check over and if necessary investigate audit reports which are now required by the great majority of insurers. While there has been a certain amount of resistance from brokers and agents to asking their truck line assured to supply the information called for in the simplified financial statement or audit form there has been on the whole little trouble in obtaining the requested information. The companies are hopeful that the audit forms and their analysis will be the answer to the problem of truckers going bankrupt and leaving their insurers with many thousands of dollars in claims not covered by the insurance but for which the insurers become responsible under Interstate Commerce Commission endorsements if the truck line operator is not able to meet them.

The Central Analysis Bureau, which is located in New York City, is managed by Kalman S. Schindel, attorney and accountant, who has had many years of experience in this type of work and who, with a committee of the underwriters, developed the uniform audit form which most of the insurers have adopted. The form is short and easy for the truck line operator to fill out. For the sake of accuracy and to minimize the possibility of doctored reports, it is required that an outside auditor sign the report.

### Considers All Factors

Mr. Schindel handles the bulk of the work personally. Through his long experience in specializing in this field he is able to go over a report and spot anything that looks as if it might point to incipient insolvency or poor management. In going over a report, he, of course, has in mind the conditions in the area where the line operates and in addition has I.C.C. reports and a wealth of other data. In the light of all this he decides whether a line is in good enough financial shape to warrant a company accepting or retaining it, or whether on the other hand the risk should be avoided. In some cases further investigation is needed to determine which the decision should be. He takes many trips to make these investigations personally and sometimes goes in company with a representative of the insurer.

Even though the bureau has been operating only a short time it has been able to warn insurers of several approaching bankruptcies. Some of these have already occurred and more are bound to occur because truck operators are squeezed between rates which are fixed by the I.C.C. and the high cost of operations. Mr. Schindel feels that even though some of the lines are able to make money under today's conditions the I.C.C. should permit rate increases, as the margins are unfairly slim.

While the obvious course for a com-

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## Argue Okla. Tax Case Before Supreme Court

WASHINGTON—As the U. S. Supreme Court approached hearing arguments in the Lincoln National Life Oklahoma tax case it appeared that Russell V. Johnson would make the principal presentation in behalf of the company and Assistant Attorney General Fred Hansen of Oklahoma, for its insurance commissioner.

A number of interested lawyers and insurance men gathered to hear the arguments, including J. V. Bloys, Life Insurance Association of America. It was pointed out that the commerce question is not involved here, it not having been raised in the proceedings in the Oklahoma court.

April 23, the company's brief, in reply to that of Commissioner Read was filed. Commenting upon the state's first proposition, the brief insists that the Oklahoma levy on foreign corporations is not a fee, but a tax for revenue purposes. The state's requirement compels a foreign company as a condition of entry in to the state to agree to submit to discriminatory taxation, it is declared. It, therefore, has to waive its rights to equal protection of the laws. This, the state has not power to do, the company asserts.

It is agreed that "a gross premium tax is an equitable mode of taxation in the absence of discrimination against foreign . . ." companies. The state's power to change conditions upon which business is permitted is "not unlimited" the court is told. After the company had been a "quasi citizen" of Oklahoma for over 22 years, the state premium tax was increased from 2% to 4% in 1941.

## Service Men Under 21 May Be Licensed in Ohio

Superintendent Dressel of Ohio will hold a hearing May 28 on a proposed amendment to present rules as to types of persons who will not be licensed as agents. The provision that the department will not license applicants who have not passed their 21st birthday would be amended to except applicants who have been honorably discharged from the armed forces and who have passed their 18th birthdays.

## Women's National Group Meets in Chicago June 17

The executive committee of the National Association of Insurance Women will hold a meeting at the Stevens Hotel, Chicago, commencing June 17. They expect to be in session four or five days. Mrs. Ada V. Doyle of Caldwell, N. J., is president. The group will number about 12.

## Carleton Los Angeles Manager

LOS ANGELES—Lloyd C. Carleton has been appointed manager of the office here of Rathbone, King & Seeley, general agents, succeeding Jared C. Aiken, resigned. Mr. Carleton previously for several years was special agent of Fireman's Fund group in the southern California department.

James B. Roark, president of the Texas General Agency Company of San Antonio, has been visiting the home offices of companies which he represents at Providence, Hartford, New York and Detroit.

William Bartholomay, Jr., and Herman Bartholomay of the Bartholomay & Clarkson agency, Chicago, have been spending a few days at Asheville, N. C.

## Advises Insurers in N. Y. to Hire High Grade Negroes

NEW YORK—Accept the situation and take the initiative in meeting the problems arising out of New York's new anti-discrimination law was the advice of Vice-president Henry E. Niles of Baltimore Life, one of the featured speakers at the first annual all-day seminar of the Society of L.O.M.A. Graduates. The organization is made up of those who have completed the Life Office Management Association Institute's courses.

The new law, which goes into effect July 1, imposes heavy penalties on employers for discriminating in the hiring or advancing of employees on grounds of race, color, creed, political belief, or national origin. Dealing mainly with the hiring of Negroes, Mr. Niles suggested that companies do not wait for the problem to be forced upon them but instead go out and seek out the best type of Negroes as employees. In this way the chances of friction are minimized and there is the best change of prejudices giving way to tolerance.

### Government's Experience Cited

Mr. Niles recalled what had happened among government agencies where Negroes were hired to work in the same departments as white employees. Where an intelligent effort was made to bring in Negroes who were likely to prove acceptable to their fellow workers, the latter often made some such remark as "We don't like Negroes but Flora is different."

Under the law it will be impossible for organizations of any size to dodge the issue, Mr. Niles felt. He expressed the hope that all employers will accept the situation and said the greatest danger is that some chiselers will try to get around the law and will cause antagonisms which will harm all concerned, including those employers that are honestly trying to abide by the law.

### Hire More Than One

Besides taking the initiative in getting high type Negroes rather than running the risk of being forced to take undesirable ones, Mr. Niles recommended putting two into an office rather than just one, thereby increasing the chances of the Negro employees adjusting themselves to working among white persons and in lessening the effect of white employees possibly giving the Negroes the cold shoulder.

Mr. Niles talked on the effect that returning veterans will have on office organizations, saying that having been used to intensive training in the army they are likely to look for the same thing when they return. Also, those who have not been away may find themselves at a disadvantage in competition if they do not keep on their toes.

## Statistical Group Holds Abbreviated Session

Directors and the executive committee of the Insurance Accounting & Statistical Association met at the Edgewater Beach hotel, Chicago, Wednesday, to reelect officers and plan association activities until the 1946 annual convention. The meeting this week took the place of the 1945 convention. R. L. Hughes, Guarantee Mutual Life, is president of the organization.

About 23 attended. There were abbreviated section meetings in the afternoon with the following chairmen presiding: I. W. Kimmerlee, Northwestern National Life; C. E. Butler, Security of Davenport, fire, and J. S. Tieringer, Commercial Standard, casualty.

## War Surpluses Sure to Present Serious Insurance Problems

**Inevitable Under Any  
Disposal Plan, Maj. Munro  
Tells N. Y. Blue Goose**

NEW YORK—Various methods have been discussed for disposing of the tremendous reservoir of war supplies and existing stock-piles of raw materials after the war but regardless of the final decision and action of the government the termination of war contracts, the disposal of surplus property and the ultimate disposition of the defense plant corporation facilities will present a number of very serious problems to the insurance industry, said Maj. J. A. Munro, former chief of the fire and marine insurance section, headquarters Army Service Forces, in his talk before the New York Blue Goose. Major Munro recently returned to the Royal-Liverpool group as executive regional manager for the west.

Major Munro said the problems of surplus disposal will be of an underwriting and loss adjustment nature and that both phases must be carefully considered. He pointed out that property damage and use and occupancy values are very high at present and that some values may change radically on termination of war contracts. Many machines will have no further value. Considerable fluctuation will occur in earnings. Moral hazard must be watched more closely than ever during this period of transition. Loss adjustments based on actual cash value will certainly present more of a problem than ever. Insurance follows economic trends and the insurance business is accustomed to watch these trends, as it must in order to survive.

### Various Courses Advocated

Major Munro said that various courses with respect to disposal of surplus government property after the war are being advocated. Some feel that the government should scrap all property. Others would like to see it disposed of gradually, attempting to blend the disposal in an orderly manner into the postwar conversion and production processes, thereby causing as little economic dislocation as possible and at the same time obtain the maximum salvage. These views and many others lying between these two extremes have been expressed both officially and unofficially in Washington.

Discussing the type of work which he handled in Washington, Major Munro said that the cooperation of the Fire Companies Adjustment Bureau, Western Adjustment and Underwriters Adjusting in handling losses for the army was most commendable and a real contribution. When a loss to government property in the hands of contractors occurs the person having custody of the property is required to notify the office of one of the loss adjustment organizations and from then on the loss is handled for the army exactly as if for an insurance company.

The army's regulations as to the responsibility and accountability for government-owned property are quite adequate for army property at a post, camp, or station but during this war the army has billions of dollars worth of property in the hands of contractors and

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## Prudential Files Suit in Oklahoma

**Assets in State Exceed Domestic Companies' Total—No Credit**

OKLAHOMA CITY—Legal action challenging constitutionality of the 4% premium tax law in Oklahoma continues to mount as the 60 day period allowed insurance companies to file suit advances. The latest development is a district court suit filed by Prudential against Commissioner Read. In its petition Prudential charges discrimination in the recently enacted law prescribing a 4% gross premium tax on all companies with a tax reduction allowed for Oklahoma investments. Prudential seeks recovery of \$109,624 paid to the commissioner under protest. The sum represents 4% of Prudential's gross premiums in Oklahoma for 1944, less deductions allowed by the new law.

Of Prudential's total admitted assets of \$5,856,880,814, as of Dec. 31, \$17,117,274 or .2923% was invested in Oklahoma securities. Prudential claims that it is allowed no credits because of such investments on the rate of tax levied by the new law.

Prudential further claims that its investments in Oklahoma securities were more than twice as much as the total investments in such securities of the four legal reserve domestic life companies doing business in the state during 1944.

The petition alleges that Republic Life, organized under Oklahoma laws has filed no return under the new law and has paid no taxes for 1944 to the state except ad valorem taxes on tangible property and social security taxes. It also charges that Republic had total admitted assets of \$2,308,388 as of Dec. 31.

Tax recovery suits were also filed in the district court by Massachusetts Mutual Life for \$37,628; Bankers Life of Iowa, \$16,377, and Pyramid Life of Arkansas, \$1,206 plus \$100 overpayment of 1945 license fees. Among other contentions, it is charged that the tax act is unconstitutional as it discriminates in favor of domestic companies in allowing reductions for investments in Oklahoma securities.

## SUIT IN INDIANA

INDIANAPOLIS—Prudential has filed suit in Marion county superior court here to recover \$452,357 in premium taxes, the difference between what its Indiana taxes actually were for 1944 and what they would have been had Prudential been an Indiana instead of a foreign company. All five superior court judges will hear the test case.

Practically all of the outside companies operating in Indiana have paid the 3% premium tax under protest. Indiana companies pay a 1% premium tax.

The legislature considered several tax measures designed to meet this situation but none was passed.

## ALL PAY TAXES IN ARIZONA

PHOENIX, ARIZ.—Every insurer operating in Arizona has paid its taxes on business done last year, but these companies have paid under protest: Pacific Mutual, Lincoln National, Massachusetts Protective Life, Occidental Life, Prudential, United Benefit Life, World, State Farm Life, National Life of Vermont.

Also: North American Accident, Truck Insurance Exchange, Farmers Automobile Inter-Insurance Exchange, Fireman's Fund Indemnity, Pacific Indemnity, Western National Indemnity, Maryland Casualty, State Farm Mutual Auto, Mutual Benefit Health & Accident.

Also: Pacific National Fire, Fireman's

## Clyde Smith's Loss Ratio Over 27 Years Is 27%

Clyde B. Smith of Lansing, Mich., prominent local agent and former president National Association of Insurance Agents, has been in the business about 27 years. It is a remarkable coincidence that the average loss ratio in his agency during that period is 27%. Mr. Smith is a very conscientious agent. He does much underwriting at the source. That accounts for his very favorable loss ratio.

## Exaggerated Statement of Sound Value in Proof Doesn't Put K.O. on Cover

Despite the fact that in the proof of loss the assured stated the sound value of the destroyed property to be far in excess of the proper figure, United States 6th circuit court of appeals in Cooper et al. vs. Firemen's, held that this did not void the policy and the case was remanded for trial. The property involved was the White Block, a five-story office building at Port Huron, Mich. The policy was for \$24,000 but in preparing proof of loss the attorney for the assured inserted in the place calling for a statement of "sound value" the figures for reproduction cost prepared by an architect and furnished to him by the assured. The architect had estimated reproduction cost at \$247,960. The lawyer testified that he thought the request for a statement of "sound value" was fully met by a statement of reproduction cost.

According to the court the statement of sound value was undoubtedly false. The highest value put upon the building by the assured was \$30,000. The lower court directed a verdict for Firemen's on the ground that the only inference to be drawn from the misleading statement was that by an exaggerated statement of value Firemen's would be deceived and misled to its injury promptly to pay the face of the policy.

However, the higher court stated that the law is that in order to void a policy for fraud or false swearing the false swearing must have been done with an actual intent to defraud the insurer.

The inference that the excessive valuation was made with an intention to deceive Firemen's does not necessarily preclude all other reasonable inferences, the higher court held. The attorney for the assured gave reasonable explanation for the figures used. He and the assured denied intention to deceive. Firemen's was acquainted with all of the circumstances of the case at the time the proofs were prepared.

Clifford O'Sullivan, William R. Walsh, Walsh, O'Sullivan & Schlee of Port Huron appeared for the assured, and Butzel Levin & Winston, Chris M. Youngjohn of Detroit and Clausen, Hirsh & Miller, Donald N. Clausen of Chicago for Firemen's.

## New Idaho Grain Rule

The Idaho Surveying & Rating Bureau has changed the rules on field grain transfers to provide for a specific limit of liability in each warehouse to which grain is transferred. The requirement for the watchman clause on mining risks in protected towns was also modified, and the classification section revised.

Fund, Northwestern National, Dubuque Fire & Marine, Home Fire & Marine, Western National, Pearl, Eureka-Security F. & M., Monarch Fire, Indiana Lumbermen's Mutual.

## ANOTHER OHIO HEARING

COLUMBUS, O.—Another meeting of the house insurance committee may be held next week on the 2 1/4% premium tax equalization bill. There have been hints that a compromise might be reached on a figure of 2%.

## Myers and Morey Tell Controllers Main Functions of Property, Casualty Cover

The principal functions of casualty and property insurance were outlined for Chicago members of the Controllers Institute of America at a meeting there Tuesday by Albert A. Morey and Lawrence S. Myers, assistant vice-presidents of Marsh & McLennan. The majority of those in the audience buy or supervise the buying of insurance for their firms.

Several recommendations were made by Mr. Morey in his discussion of workmen's compensation and occupational disease insurance. The protection should be bought through a good insurance broker or agency who will see that the coverage is placed with an insurance company whose financial standing is beyond question.

## Other W. C. Recommendations

The insured should be sure that he receives from both agency and insurer the best of underwriting, claim, engineering and auditing service. He is entitled to this, for a substantial part of his premium is set aside for expenses in connection with these items, Mr. Morey said.

The policy must be written correctly. Not only should the name and address be correct but, far more important, the buyer should be sure that the policy shows the correct classifications and rates, and that the proper endorsements are attached, including state endorsement, general coverage endorsement, elimination of surcharge for overtime endorsement, and so on. The buyer should investigate thoroughly the advantages of the four retrospective rating plans now offered by the companies, Mr. Morey advised.

Because of the present trend of increased claims, due to the substandard type of employee being hired in so many plants, and in particular because of the tax difficulties involving a self-insurance fund, a great many firms have discontinued their self-insurance and have purchased one of the four retrospective plans. There are, however, he added, still many instances where the partially self-insured arrangement will be very satisfactory to certain types of operations and is continuing to produce satisfactory results.

## No Relief from Large Judgments

Mr. Morey said he thinks there is little relief in sight from exceedingly large judgments being awarded by juries for bodily injury and property damage. Consequently it is perhaps more expedient than ever for a firm to insure these hazards and pass on to the insurance company the liability, which can in this way be accurately measured, and uncertainty changed to certainty.

In connection with comprehensive public liability and property damage he recommended insured take several precautions. Limits should be high enough. Contractual liability, particularly railroad agreements, should be amply protected. Proper coverage for contingent liability is important. In Illinois the dram shop act imposes a serious liability in connection with liquor, and a firm doesn't have to be in the liquor business or a tavern landlord to be affected. The employer of a sales manager who provided a customer a drink on the conclusion of a large deal was sued when the customer was killed while driving back to his hotel.

## Assault and Battery

Assault and battery coverage is necessary, Mr. Morey said. Even if guards or watchmen have the right to put a trespasser off the property, there is nothing to stop the so-called trespasser from suing a business. Usually, he said, these cases cost considerable to defend even if no settlement is made or judgment rendered.

Under automobile coverage, Mr. Morey suggested that for individual cars an actual value form is the better

buy, while for fleets the stated amount fire and theft coverage seems to be more in order. The owner of a fleet of trucks is in a position to determine the value of such trucks. Generally speaking the cost of the chassis is standard but the value of the body varies considerably and an owner probably can establish in the beginning the value placed on such bodies.

## Assures Experience Credit

He added that rates for fleets are based on the loss experience and fleet credits. Fleet experience credits are available only if the insurance is written on a stated amount form, he said. Losses under a stated amount policy will generally be settled more promptly and with less difficulty than under an actual value policy. The agent should make a thorough investigation of this situation for insured.

Mr. Morey also dealt with personal liability and property damage coverage, "loss of funds" protection, for which he stressed the need of comprehensive fidelity and theft coverage, and boiler and machinery insurance.

## PROPERTY COVER

The petty loss, amounting to only a few hundred dollars, should not particularly concern insured unless the frequency is high, and even then the problem is primarily one of loss prevention, Mr. Myers said. But if a catastrophe strikes, the insurance policy may be all that stands between preservation of capital and financial disintegration. Then it is that adequate insurance, properly written in reputable companies, becomes the most valuable asset in the possession of the corporation.

In 1944, Mr. Myers said, there were 106 fires in the United States in each of which the loss exceeded \$250,000. The average was \$700,000, making a total of \$75,000,000, or about 16 2/3% of the aggregate of all fire losses. Loss of earnings, he added, may even exceed the physical property loss.

## Buildings Not "Fireproof"

"We must get out of our minds that any building is fireproof—'fire-resistive' is a much better term," he said. No matter how well a building is constructed, if it is filled with combustible materials a disastrous fire loss is not to be unexpected. Exposure from other properties and the possibility of conflagration must be considered.

But even if a fairly accurate estimate of the possible extent of damage that might be sustained under adverse conditions can be determined, it won't affect to any great degree the amount of insurance that is carried. These conditions are already reflected in the rate.

Mr. Myers recommended careful drawing of the form for the fire policy. It should be printed so that all policies will bear the same wording to avoid difficulties in apportionment of a loss. A blanket form should be utilized where possible. This does not have to be changed every time there is a shift in values and is therefore more flexible and safer. It may be advantageous in many cases to write stock separately on a monthly reporting basis because of constant inventory changes.

## Insurable Value

Mr. Myers emphasized the necessity of knowing how to determine in advance the insurable value of property. This question probably needs more reflection to answer than any other in insurance, he said. It is not book value. The insurable value of a building or piece of machinery or equipment is its sound value computed by taking the present-day replacement cost new and deducting therefrom a reasonable amount of depreciation. (CONTINUED ON PAGE 11)



## Storers Stymied in Writing Outside Coverage on Furs

### Must Have Broker's License or Face Charge of Unlicensed Soliciting

NEW YORK—Though it is still technically possible for the owner of a fur coat to dispense with her fur floater policy and get full year-'round coverage through the furrier who stores the garment, little if any of the outside type of coverage is likely to be included with declaration of value when women put their winter furs into storage during the next month or so.

A certain amount of this coverage used to be written affording protection while the garment was not in the furrier's possession but a group of New York City brokers complained to the New York department with the result that the department warned that any furrier, department store, or anyone else who offered this protection without having a broker's or agent's license would be violating the insurance law. The procedure had been to issue certificates in blank, showing the furriers' broker as the broker of record. The furrier would fill in the certificate and turn it over to the owner of the garment.

#### Additional Deterrents

Besides the impracticability of a furrier or department store having one of its staff licensed as a broker there are several other deterrents to writing the outside coverage even though on the usual basis of storage charges the owner of a coat valued at less than \$320 can save money on her combined storage and insurance costs by getting insurance coverage as well as storage from her furrier instead of buying a fur floater and paying the minimum storage charge. Above a value of \$320 there is a decided saving through insuring the garment under a floater policy and paying the minimum storage charge by declaring a nominal value.

Any furrier who wrote this non-storage insurance would risk losing, a year later, the storage business of customers who bought it, if they were shrewd buyers or were advised by watchful brokers—particularly brokers who had lost a fur floater policy by reason of the furrier's activity. The non-storage coverage runs for a year and since it does not apply while the garment is in the named furrier's custody it can be written to run for a year from the time the coat is taken out of storage. Since only the named furrier is excluded, the coverage would be valid while the garment was stored with any other furrier.

#### Example Shows Saving

For example, suppose a woman has a \$300 fur coat. She stores it this month with a furrier. Since she has no fur floater policy, she declares it at its full value paying a charge of \$6 at the usual 2% storage rate. Also she arranges for the outside coverage at a 50-cent rate, to run for a year from whenever she takes the coat out of storage next fall. Her total outlay for storage and outside coverage at full value is \$7.50. A year from now, when she wants to store the coat again she will have to pay \$6 to be fully covered just during the time the coat is stored. However, if she goes to another furrier her outside coverage is still good and she can declare the coat for only \$150 and pay the usual minimum \$3 storage charge.

In addition to the foregoing consider-

## Rummage Named to New Ariz. Insurance Post



ROY B. RUMMAGE

Roy B. Rummage has been appointed director of insurance of Arizona for a term of six years. The appointment becomes effective July 1, and the term expires July 30, 1951.

The appointment was made under a new law which creates an insurance department in the Arizona corporation commission. Mr. Rummage has been serving as insurance director but the office did not have the prestige that it now has under the new law. The salary is increased also.

#### No W.U.A. Meeting Plans

The governing committee of the Western Underwriters Association met at Chicago Tuesday. It was thought that there might be some discussion as to holding an abridged annual meeting to be held in Chicago with a limited attendance. However, the question did not come up and so far as the immediate future is concerned it is not likely that there will be a meeting.

ations there is the further deterrent to furriers that such a limited amount of potential business of this type is involved. Since the owner can do better by purchasing a fur floater policy if the garment is worth more than \$320 there is little chance of a furrier making enough in competing for the lower-value fur business to warrant the trouble and expense of getting a broker's license and to risk losing some of his shrewder customers.

On the basis of the usual storage charge of 2% with a minimum of \$3, full year-'round coverage for a fur coat valued at \$150 would be \$3 storage charge plus 75 cents for outside coverage. This compares with a minimum fur floater premium of \$3 plus the \$3 storage charge or a total of \$6. The fur floater rate is 85 cents a year, so the \$5 minimum premium will insure a coat up to \$588.

If the coat-owner prefers to get her entire coverage from the furrier, however, the total charge would be exactly the same, \$8, on a \$320 garment. The 2% storage rate plus the 50-cent outside coverage rate results in a total charge of \$8. Above the \$320 valuation, however, the owner will pay the furrier \$2.50 for every additional \$100 of value whereas with a fur floater she will pay only \$8 up to a value of \$588, above which the additional outlay will be only 85 cents for each \$100 of additional value.

## Independents' Attitude on Rate Control Is Set Forth

The position of the independent companies with respect to fire and casualty rating measures was explained in detail at the casualty underwriting conference of the National Association of Mutual Insurance Companies in Chicago by R. C. Mead, actuary of State Farm Mutual Automobile.

The independents are not opposed to legislation establishing rate control in the various states, providing their position is positively stated in the laws, he said. The federal legislation committee of the National Association of Insurance Commissioners at its meeting in New York, will review state rating legislation, may prepare an analysis of action taken by state legislatures for presentation to Attorney General Biddle, and will undoubtedly discuss what should be done now that the first round in rating legislation is about over, Mr. Mead said. The casualty underwriting conference empowered the executive committee of the National Association of Mutual Insurance Companies to prepare a statement of views of independent companies for submission to the commissioners.

#### Anomalous Situation

It would be anomalous, Mr. Mead said, if, as a result of a Supreme Court decision which had as its objective the protection of the buyer of insurance from certain restraints of trade, states adopted laws making it necessary for independents to belong to bureaus.

The independents' position is expressed in a section inserted in the casualty and surety rating measure prepared in Missouri. The section reads: "Filings by independent insurers—Nothing contained in this act shall require any insurer to become a member or subscriber of any rating organization nor require uniformity in rates, classifications, rating systems or schedules. Any insurer not a member or subscriber of a rating organization may make and file rates with the superintendent of a rating organization or may make and file rates with the superintendent based upon its own system or plan of operation and risk classifications, territorial or otherwise. Any such filing shall be approved by him unless he finds that the rates or charges resulting from the filing would be unreasonable or inadequate for the safety and soundness of the insurer making such filings or unfairly discriminatory. In recording and filing loss experience under this act for statistical purposes, it shall be sufficient if any such insurer records and files its loss experience in accordance with its own system or plan of operation and risk classifications, territorial or otherwise."

#### Would Leave No Choice

Without a section in the law specifically covering the independents, he said, the law might be interpreted so as to leave no choice to either non-conference or conference companies except to operate through a bureau. The non-conference companies objected also to the requirement in the model bill of uniform classifications because they would be required to furnish detailed data showing the exact derivation of rates, and to do this would be equivalent to charging the same rates as set by the bureau. The requirement of uniform statistical data would be a powerful influence in the direction of identical rates for all companies.

Mr. Mead called attention to the basing of rates, in the model bill, on "past and future experience." Whose experience, he asked, is to be used—that of the company making the filing, the bureau's, or that of all companies using the bureau? The rate administration section of the bill calls for standard statistical plan, and this might make it impracticable for a company to write business on a basis other than called for

by that statistical system. A company might be unable to rate one way and account it another. Rate regulation, he said, is not a cure-all.

He said the rates of the independent companies are not suspect to begin with, since they are developed independently and with no cooperative action. Consequently it is not necessary that their rates be examined on the same basis as those of conference companies.

It is proper for the independent companies to be examined to determine if the rates are excessive, discriminatory as between assured of the same kind and class, and so on, but the independent should not be subject to the requirement of filing rates and furnishing experience on the same basis with bureau companies, Mr. Mead asserted. The independents are not seeking to avoid regulations. That would be improper, he said and any law with that basis would not work. Under those circumstances, he did not think that the bureau companies could stand the competitive pressure from independents not subject to the same regulations. The key to the matter is freedom of non-organization carriers to file rates according to their own classifications and on their own statistical bases.

#### Harder to Start a Company

H. J. Witwer, Farmers Mutual Auto of Wisconsin, chairman of the conference, asked Mr. Mead how a new company would ever get started under the provisions of the model rating bill.

"I don't know," Mr. Mead answered. It will be very much harder, he said, to start a company in the future.

Walter Mengelberg of Lumbermen's Mutual Casualty, who was a member of the committee that worked on the model rating bill, stressed the problem of regulating interstate risks. He said unless this problem is solved, it contains the constant threat of federal regulation.

The question was asked whether a company could not charge pretty much any rate it wanted to in a state if it had millions of dollars of business in force in other states and only did a small amount of business in the state involved, by thus avoiding the charge of inadequacy. The rates could be almost anything and still be at a level which would not endanger its solvency. The discussion indicated that a commissioner probably would see through such a move and the question of adequacy would be answered on an over-all and not on a single state basis.

The model casualty bill has been adopted in Tennessee, Arizona, Kansas, South Dakota and Maryland, Mr. Mead said. It is expected to become law in Connecticut, and its prospects in Florida, where it has been introduced, are good. A bill similar to the model bill was passed and is now law in North Carolina.

#### Non-Action Is No Answer

He pointed out that in several states where the independents are strong, action on rating legislation was postponed. But all that the independents accomplished was to do nothing, he said. That is not an answer to the problem, he asserted.

He said that in Texas some of the provisions of the model rating bill were eliminated and a few new ones inserted. There is a different expense loading provision. There is also the provision that the commissioners cannot approve a rate that is "confiscatory as to any class of insurer." This is a dangerous clause, Mr. Mead believes, because it means that the highest rates are the only ones that could be approved.

There is needed immediately a full and complete discussion of all the problems that have become apparent as a result of the introduction of rating bills in the various states, he declared.

## Expect Mich. Code Study Proposal

LANSING, MICH.—A comprehensive recodification of Michigan insurance laws is considered likely to be ordered by the state legislature before its adjournment late this week. The senate business and rules committee is expected to report out for floor action a house concurrent resolution providing for selection of an 11-member committee to undertake the recodification task and report recommendations back to the legislature either at the next regular session in 1947 or at intervening special session.

The resolution, introduced by Rep. Louis H. Freye, Muskegon agent, points out that a broad revision is necessary in view of the insurance decision and subsequent federal legislation. The Michigan code, adopted 28 years ago, has been patched with amendments, and obviously no longer constitutes an adequate piece of legislation, it is asserted.

The revision committee would consist of three house members, two senators, the insurance commissioner, and five members appointed by the governor.

Recodification was suggested and given strong endorsement at a joint senate-house insurance committee hearing on the insurance department's omnibus bill which has been passed by the senate and once emerged onto the house floor briefly but was returned to committee, ostensibly for further amendments. It is expected to be reported and passed in some form before adjournment.

### New Turkey Form in 10 States

The new turkey form is now in effect in 10 midwest states. The coverage has been approved in Indiana, Missouri and Illinois in the past two weeks.

Allan I. Wolf of the Associated Agencies, Chicago, went to Hot Springs, Ark., for a few days where he pitted his skill at golf against J. K. Walker of Moore, Case, Lyman & Hubbard, Chicago, and of the J. K. Walker Insurance Agency, Hot Springs.

Insurance and Negro business interests are represented on Secretary of Commerce Wallace's small business advisory committee by John R. Pinkett, local agent at 1302 New Jersey avenue, Washington, D. C., an agency combined with real estate office. Mr. Pinkett, a Negro, is also a director of Pinkett's Prescription Drug Co. His name was added recently with several others to the small business committee, which held a session last week at the commerce department, Washington. Mr. Pinkett has been interested in the insurance business including life, over 20 years. His agency represents Baltimore American, Granite State, Commerce, and Globe Indemnity.

## Life Company Makes Study of Airlines' Financing

Mutual Life of New York and a group of New York City banks have issued a report of a study made under their direction on new and extensive investment opportunities for life insurance companies in the airline field. The problems of financing perhaps as much as \$500 million of airline loans in the next five years are discussed and some interesting conclusions and recommendations are made.

One recommendation is that the proposed expensive and modern fleets of airliners should be covered by insurance against crash and destruction through other causes. Where financial strength is great and fleets are depreciated, it has been the policy of some airlines to self insure, but this will not generally be the case in the post-war period, the study states. While no fixed rule on insurance can be laid down, there is need for proper protection to the lender and borrower.

Among the general conclusions reached in the study are that rates are expected to be reduced to four cents per passenger mile by 1950, passenger traffic at that time may be five times the 1943 level, express and freight will increase markedly, and in addition to finance needs on domestic equipment and facilities the airlines are likely to need \$250 million of new capital by 1950 for expansion of foreign operation.

## Holds Privileged Complaint to Insurance Department

WASHINGTON—Statements made in a complaint to the superintendent of insurance here against an insurance agent are regarded as being on a "privileged occasion" in the courts here. Recent decision to that effect by Federal Judge Bailey here is regarded as establishing an important principle.

Because of an official complaint of alleged unethical conduct, a local agent's license was canceled by Mr. Jordan. The agent sued the complainant for damages.

When the case came up and attorneys had made their opening statements, Judge Bailey threw out the suit on a ruling that the complainant's statement was privileged or charges against the agent were made on a privileged occasion.

Francis Taylor, attorney for the defendant, cited Texas and Tennessee decisions holding official complaints to administrative officials privileged in character. Complainants can not be held responsible for damages for statements made in good faith in such complaints, he contended.

### Study Whisky Writing

A committee of those concerned with underwriting whisky business is meeting in New York Thursday to discuss some proposed changes in the form. One item under consideration is elimination of the term "unblended."

## Federal Legislation Committee to Meet

All matters pertaining to the annual convention of the National Association of Insurance Commissioners that was scheduled to be held at St. Paul in June have been left in the hands of Newell R. Johnson of Minnesota, president of the association. Application for permission to hold the meeting has been made to the office of defense transportation but clearance has not yet been obtained. It is understood that the week of June 4 is the date that has been requested in the application to ODT.

Commissioner Harrington of Massachusetts has called a meeting of the federal legislation committee of the National Association of Insurance Commissioners, of which he is chairman, at the Hotel Commodore, New York, May 11-14. The purpose of the meeting is to consider uniform state legislation necessary as a result of the Supreme Court decision in the Southeastern Underwriters Association case and the federal insurance legislation.

## Standard Fire Policy Bill Passed in Oklahoma

OKLAHOMA CITY—The Oklahoma legislature has passed the bill prescribing the use of the New York 1943 standard fire policy after Jan. 1, 1946, which has been signed by the governor.

Oklahoma is the 37th state to approve the measure. A standard fire policy bill is progressing in Wisconsin and it is expected to be passed, and a similar bill in Michigan still has a chance of passing before the legislature closes down.

### W. VA. STANDARD POLICY RULES

Commissioner Sims of West Virginia has issued a ruling in connection with the new law making the 1943 standard fire insurance policy effective in the state after June 1. The use of the new policy is mandatory on and after Jan. 1, 1946. Stocks of old policies may be used from May 31 to Dec. 31, with an endorsement that the terms and conditions shall be construed in accordance with the new policies. A company may elect prior to June 1 to declare that all outstanding policies shall conform to the new contract and if that is done an agreement must be filed with the department. Companies under group operation if they so desire may file one agreement for the entire group.

Mr. Sims states that the first page of the policy may be rearranged so as to provide for covering elective hazards.

### Eggert National's Auto Manager

SAN FRANCISCO—Ted Eggert has been appointed manager of the automobile department in the Pacific department of National of Hartford. He was formerly automobile manager of Northern Assurance.

## Passage of Mich. Tax and Uniform Policy Bills Appears Doubtful

LANSING, MICH.—Michigan's 2% premium tax equalization bill is still in the senate taxation committee and the legislature is scheduled to adjourn this week.

Two adverse votes in the committee relative to reporting the bills, one of which would have repealed the retaliatory provision of the insurance code, have convinced most observers that the bills were lost despite support of Governor Kelly. It still is possible that administration pressure may force action.

The governor has signed the bill relieving insurance directors, trustees, officers or agents from being held personally liable for tax payments.

Fears are being expressed by proponents of the uniform fire policy bill that the measure will not be passed before adjournment. It has been referred to the senate insurance committee before the week-end recess. Such action at a late stage in any legislative session frequently means a bill is doomed.

### Good Work of Kase at Toledo

TOLEDO—Frank B. Kase of the Picton-Cavanaugh agency was chairman of the committee of the chamber of commerce and of the Toledo Association of Insurance Agents that sponsored a fire prevention essay contest in the local schools and thus was responsible for Toledo getting honorable mention in its class for fire prevention week activities from the National Fire Waste Council.

### To Train New Personnel

CLEVELAND—Beginning May 9, the department of education of the Insurance Board of Cleveland will give a special eight-week course in fire insurance for beginners and employees in board offices. The course will cover office practice, including policy preparation, use of forms, rating of dwellings and garages, using dwelling schedule, rating mercantile and manufacturing risks, using rate cards and rule book, cancellations, endorsements and removal permits.

The class will meet Wednesday evenings from 5:30 to 7 p. m.

A group of about 25 officers of United of Chicago and their wives gathered at a 66th birthday dinner Saturday for Vice-president H. G. Rockwood. President O. T. Hogan presented Mr. Rockwood with an infrared lamp such as Mr. Hogan has used during the past winter in lieu of his customary trip to Florida. The official family of United constitutes an unusually congenial group. The newest member is Vice-president E. A. Rees, who formerly was head of the industrial department of American National.

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# BUILDING AMERICA

## Meat Packing

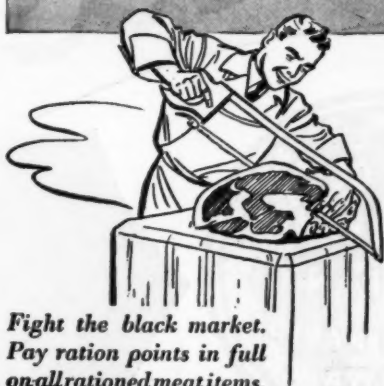


The first meat packers in the United States were farmers who, in the early 1700's, salted down pork, beef, venison, and even bear meat.

Packing houses, at first few in number and serving only their own communities, became more numerous as population centers developed which did not raise their own meat animals. Artificial refrigeration transformed meat packing into a year-round process after the Civil War, and refrigerated railway cars, developed about 1880, solved the problem of trans-

porting fresh meats from packing centers to Eastern cities.

Wholesale meat packing is today third among the country's industries, the leading industry in ten states, the second largest in six. War-time production of meat (an estimated 25 billion pounds for 1944) set an all-time record in the industry—with further heavy and unpredictable demands ahead before victory is attained—and when civilian meat counters will, we hope, again do a thriving and legitimate business.



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The yearly plant value of products handled by more than 1500 meat packing plants in the United States exceeds two and a half billion dollars—to which impressive total must be added the physical value of the plants themselves, machinery, equipment, motor vehicles, and other assets. In-

surance safeguards these vast values, along with all other physical values which are fundamental in the building of America—and the Royal-Liverpool Group has not only met, but has anticipated, the demands of agents and brokers for production aids and service facilities. May we tell you about them?

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## Straka Heads Neb. Blue Goose

OMAHA—Elmer D. Straka, National Fire, was elected most loyal gander of the Nebraska Blue Goose at the annual meeting here. The banquet, attended by 100, was addressed by Insurance Director Fraizer of Nebraska and R. A. Kenzel, Phoenix of London, Milwaukee, grand welder.

The new supervisor is C. W. Martin, Martin Bros & Co.; custodian, R. H. Sabin, American; guardian, T. W. Caldwell, Home; keeper, M. W. Besack, Morrison & Co.; welder, F. M. Jackson, Aetna Fire.

E. H. Wylie, Scottish Union, is the retiring M. L. G.

A class of nine was initiated, including State Fire Marshal L. D. Mengel. Nineteen members are in uniform.

## Mich. Omnibus Bill Progresses

LANSING—The Michigan department's so-called "omnibus bill" (S. 228) came a step nearer final passage when it was reported for the second time to the floor by the house insurance committee, bearing only a few department-approved amendments.

The chief changes proposed alter a provision giving the commissioner the power to review policy forms to require only that "basic" forms be so approved or rejected; exclude from the agents' qualification and licensing provisions ticket agents selling travel accident policies and merchants selling hunters' accident coverage in connection with hunters' licenses, and permit mutuals, through adoption of by-laws, to elect whether to require that directors also shall be members.

It was generally rumored that a department-disapproved amendment would be offered from the floor to exclude

from the broad licensing requirements of the bill company officers and salaried representatives countersigning policies.

## MacDonald Fla. General Agent

Tom C. MacDonald, for many years in the Florida, North Carolina and South Carolina field for the Fireman's Fund group, and for about 15 years its state agent in Florida, is opening a general agency in the Western Union building in Tampa, long his headquarters city. Among the companies he will represent as general agent for Florida is Quaker City F. & M. of the Atlas group. Mr. MacDonald started with Fireman's Fund as an examiner in the Atlanta office.

## Honor Rush at Luncheon

Benjamin Rush, North America board chairman, who celebrated his 50th year with the company April 22, was honored guest at a luncheon given by officers and directors. Tributes were received from outstanding fire and marine executives throughout the country. John A. Diemand, president of the company, presided.

## Oberhaus Independent Adjuster

A. E. Oberhaus, superintendent of the claim department of the U. S. branch of Calendonian, Hartford, 18 years, has opened an office on Garden street, Farmington, Conn., as an independent adjuster. He handles fire automobile, and inland marine lines, covering Connecticut and western Massachusetts.

## Pa. Auto Committee Meets

The automobile finance committee of the Pennsylvania Association of Insurance Agents will hold a meeting April 26 in Pittsburgh. Local board delegates from western Pennsylvania meet in the morning and the Agents Finance Company, Indianapolis, will show its sound film in the afternoon.

## N. Y. Brokers Association Elects New Directors

NEW YORK—The Insurance Brokers Association of New York at its annual meeting Tuesday elected the following directors, who will meet some time the next month to choose officers: R. P. Dorland, Davis, Dorland & Co.; F. R. Dubois, Frank & Dubois; L. D. Egbert, Brown, Crosby & Co.; L. D. Ford, Marsh & McLennan; S. Stanley Gray, McLean & McLean; R. N. Jenkins, Alexander & Alexander; Courtlandt Otis, Johnson & Higgins.

J. F. Brennan, Rollins, Burdick, Hunter Co., president of the association, said it welcomes the building of a stronger National association as a promise that interstate and even international problems will be handled effectively.

M. A. Gesner of H. W. Schaefer & Co., chairman of the casualty and surety committee, said his committee was asked to attend a meeting at the National Bureau of Casualty & Surety Underwriters to discuss the matter of commissions for the broad form money and securities policy. The commission to brokers for this type of policy is now 15%, but a hearing had been requested by the New York State Association of Local Agents and the General Brokers Association in an effort to have it increased to the standard burglary commission of 22½%.

Mr. Gesner said that at a meeting each of the associations voiced the thought that the commission should be increased at least to the point where the producer would not suffer an actual dollar loss when converting a customer from the individual safe burglary and robbery form to the board form money and securities policy.

## Signs N. Y. "Comp" Bills

Governor Dewey of New York has signed the bill amending the compensation law to provide that the stock and mutual compensation security funds,

## Prepare for Important Conference at Columbus

COLUMBUS, O.—Especially important is being shown in the talks that Prof. Ralph Blanchard of Columbia University and Ray Murphy of the Association of Casualty & Surety Executives will give here Monday at the central Ohio conference on fire and casualty underwriting. Prof. Blanchard will discuss government regulation and Mr. Murphy, insurance in the war time economy.

## Suggest Dropping Wind Rates from Manuals

In the opinion of some observers, the time has come to drop from rate manuals quotations for specific tornado insurance. This coverage is now seldom written separately as it is included in the extended coverage endorsement. Occasionally a policy might be needed to cover a flagpole or some similar detached object, and a rate could be quoted therefor, but so far as separate tornado insurance for buildings is concerned, in the opinion of these commentators, it can well be dropped from any reference in rate manuals.

which guarantee payments to claimants even though an insurer should become insolvent, shall not be used to pay amounts due under reinsurance policies issued to compensation insurers even though the reinsurer should be unable to meet its obligations.

Governor Dewey also signed the bill which provides that if an injured employee dies leaving no widow, children, or other dependents, any compensation payments due him which accrued before his death shall be paid to his estate. The \$2,000 death payment which the law provides shall be paid in such cases will still be paid as formerly, \$1,500 to the reopened case fund and \$500 to the vocational rehabilitation fund.

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## CHICAGO

### HARTMAN RETURNS TO L. & L.

George L. Hartman, who has been discharged from the infantry, where he has served as a captain at Guadalcanal and in other southwest Pacific actions, has returned to London & Lancashire in the western department as assistant examiner.

### BLUE GOOSE DINNER MAY 14

The Illinois Blue Goose has scheduled a dinner meeting at the Hotel LaSalle, Chicago, May 14. This will be the occasion of an official visit from Most Loyal Grand Gander Thomas G. Linnell of Minneapolis. Initiation ceremonies will take place and a life membership will be presented to Royal Buckman, who retired the first of the year from active duty with Royal-Liverpool, with which he had been connected a good many years.

### EXAMINERS MEET

The Fire Insurance Examiners Association of Chicago at its annual meeting elected the slate of officers presented in last week's issue. Ted Reis of R. H. Erickson general agency, president, showed three films of navy war making in the Pacific. The annual golf tournament will be held at Itasca country club June 7. R. H. Erickson is in charge of the committee making arrangements. E. B. Moran, special agent of Great American; Al Hazelwood of Great American Indemnity, both of Wisconsin, and P. W. Freilich, manager of Corroon & Reynolds and former president of the association, were guests. The association is beginning its 32nd year.

### FAREWELL FOR McAULIFFE

Chief Frank C. McAuliffe of the Chicago Fire Insurance Patrol was guest of honor at a luncheon in Chicago Monday given by the officers of the Chicago Board and the members of the fire insurance patrol committee on the eve of Chief McAuliffe's departure for Europe as a member of the U. S. Strategic Bombing Survey mission. He was presented with a bill fold and check. The group included John Naghten, president of the board; L. D. Stitt, treasurer; W. W. Hamilton, manager; E. B. Vickery, America Fore, chairman of the patrol committee, and R. D. Cunningham, Marsh & McLennan; Joseph Brummel, H. A. Clark, Firemen's, J. M. Newburger, members of the committee; Dr. John B. Jack, physician for the fire patrol, and Fire Commissioner M. J. Corrigan and E. A. Moloney, secretary of the Chicago fire department.

### GRANNAN IN KANALEY FIRM

Emmet Grannan, office manager of James L. Kanaley & Co., class 1 agency of Chicago, has been admitted as a full member of the firm. He has been in actual charge of the office for two years since the other firm member, Richard

T. Kanaley, has been in the army. Mr. Kanaley is a pfc. stationed in Paris, France, with a medical unit. He has been in the service since December, 1942.

Mr. Grannan has been in the insurance business 30 years, starting as office boy for George W. Law of Law Bros., western managers of Royal. After 10 years, rising to examiner and counter-man, he became counterman of the R. A. Napier & Co. agency of Chicago, and later Cook county special agent. Five years later he took a similar post with Engelhard-Krogman & Co., leaving in 1930 to become special agent of R. H. Beard & Co. there. He joined

Kanaley-Buddeke & Co. in 1931, the brokerage firm that preceded the Kanaley agency. Mr. Grannan ever since has been office manager, and also has done underwriting and production work.

his 25th anniversary with the group. He was presented flowers and gifts and also welcomed as a member of the Norbrit Guards.

Mr. Ljungquist has just entered the grandfather class, as his daughter became the mother of a baby boy.

### AUTO CLAIMS DINNER

A record attendance marked the 15th annual dinner of the New York Automobile Claims Association. Donald Roberts, London Assurance, who was elected association president the previous week, made a short talk, as did Thomas J. Hunter, North British, vice-president. Mr. Hunter introduced the past presidents who were present: D. H.

## NEW YORK

### NEW MEMBER OF NORBRIT GUARDS

Loring Ljungquist, supervisor of the western department of the North British group, was guest of honor at a surprise luncheon in New York in honor of

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Collinson, North British (retired); R. M. Huyler, America Fore; W. C. Euler, Appleton & Cox; E. C. Keating, Great American, and the immediate past president, K. C. Maines, Appleton & Cox. The remainder of the evening was given over to a floor show.

#### O'HANLON REPORTS MOVE

O'Hanlon Reports have moved from 111 John street, where they have been for 11 years, to new offices on the 9th floor at 110 William street. They have 25 branch offices throughout the country.

## COMPANIES

### American Aviation Names Holman to Executive Post

American Aviation & General has appointed Frederick L. Holman executive special agent operating out of the home office at Reading, Pa.

Mr. Holman entered insurance with the Underwriters Association of the Middle Department after graduation from the University of Pennsylvania. He became general supervisor of field

inspectors in charge of rating, tariffs and schedules. He became special agent of Norwich Union in 1911, traveling four states. After 10 years he went with Commercial Union, and in 1934 Mr. Holman joined Security of New Haven as special agent. For three years he was a local agent. His father was the late William A. Holman, manager of Philadelphia Underwriters, forerunner of Philadelphia F. & M., and his uncle, Sidney E. Locke, was vice-president of Hartford Fire prior to his death.

### Fire Association to Issue 20% Stock Dividend

Stockholders of Fire Association have approved a 20% stock dividend. Stock or scrip certificates for fractional shares, or both, will be issued about June 30, to stockholders of record at the close of business April 18.

### Three Corroon & Reynolds Men Are Promoted

H. J. Thomsen has been advanced from secretary to vice-president of Corroon & Reynolds. G. D. Vail, Jr., assistant secretary, becomes secretary and M. J. Roche was elected assistant sec-

retary by American Equitable, Globe & Republic, Merchants & Manufacturers and New York Fire.

Mr. Thomsen is in charge of the eastern and southern departments. Mr. Vail is assistant general adjuster and recently was elected president of Eastern Loss Executives Conference. Mr. Roche is auditor in charge of the accounts division.

### Murphy with K. C. F. & M.

Francis E. Murphy, formerly chief clerk of the Missouri insurance department 1933-1940, has joined the underwriting staff of Kansas City Fire & Marine. After leaving the department he was with the Francis Pendergast agency and General of Seattle in Kansas City.

Emco Fire has been licensed in Oklahoma.

## FIELD

### Kenneth B. Sinclair Joins Dubuque at San Francisco

Dubuque Fire & Marine has appointed Kenneth B. Sinclair special agent for the coast counties and San Francisco Bay area.

Ross West, present special agent, will hereafter travel the Sacramento and San Joaquin valleys.

Mr. Sinclair started with New York Underwriters, and later was chief underwriter for Pacific National Fire at Los Angeles for five years. His last position was with General of Seattle at Los Angeles as underwriter and special agent for the past five years.

### Plan Joint Michigan Meeting

DETROIT—Plans are being worked out for a joint annual meeting of the Michigan Fire Underwriters Association, Michigan Fire Prevention Association, Michigan Field Club and the Michigan Blue Goose at one of the country clubs near Detroit some time in June, to cooperate with the request of the ODT to limit travel. The date and place will be announced later.

### Hosier with Glens Falls in Va.

Glens Falls and Commerce have appointed James W. Hosier, Jr. special agent for Virginia. He succeeds Special Agent William G. Bottimore, who is being transferred to the home office loss department.

Mr. Hosier has had 18 years of insurance experience in Virginia, having spent 11 years with the Insurance Rating Bureau and seven years in field work, most recently with Crum & Foster. His office will be in the State Planters Bank building, Richmond.

### Honor Three Iowa Veterans

Three Iowa field men will be honored at a testimonial dinner in Des Moines April 27 for having completed 25 years of continuous service with their companies in the state. They are Will H. Harrison, state agent of National Fire; Arthur E. Holm, special agent of Home, and John W. Hull, state agent of America Fore.

### Plan Tennessee Field Meetings

The annual meeting of the Tennessee Fire Underwriters Association, Tennessee Fire Prevention Association and Tennessee Blue Goose will be held in Nashville in June, as usual, according to George H. Harbison, America Fore, secretary of both the fire underwriters and fire prevention groups. The executive committees of the three organizations will meet early in May to arrange the program and fix the time and place.

### Honor Krauss, Sills and Lund

Harvey L. Krauss has completed 25 years with the America Fore companies and was welcomed into the "Old Guard" by Vice-president E. A. Henne who presided at a dinner given at Kansas City,

attended by field associates and their wives.

Mr. Krauss joined Fidelity-Phenix as special agent in western Missouri, later becoming state agent for all America Fore companies in southwestern Missouri. Previously he was with Firemen's, Niagara and Millers National in the office and field.

Arthur D. Sills and Carl G. Lund were inducted into the "Old Guard" at a dinner in Oklahoma City, presided over by Vice-president Henne and attended by Oklahoma field men and their wives. Mr. Sills was a local agent for Continental at Seiling, Okla., and then became special agent for the farm department in that state. Mr. Lund was a local agent at Ponca City, until named farm special agent.

### SWIS Work Excellent

Those who have been watching the results of the SWIS work consisting of vital industries not directly under the jurisdiction of the army or the plant protection service are very much gratified with the results. The work has been efficiently done and there have been very few losses. As a rule the field men have cooperated 100%. More and more plants are being switched over to the

## 80th ANNIVERSARY YEAR



FIRST ATLANTIC CABLE

## Before the Transatlantic Cable . . .

The memories of eight decades are vivid as Millers National Insurance Company marks its eightieth anniversary in 1945. Among them is Cyrus Field's perseverance in completing the first successful transatlantic cable in 1866 . . . when Millers National already was one year old.

The growth of Millers National has paralleled the building of America through the lusty days of the 19th century, when the nation entered the age of steel and mechanization and underwent its greatest industrial revolution.

In these eighty years, Millers National has gained knowledge and experience through changing times, sustained the integrity upon which the company was founded.

Eighty long years of experience . . . sound growth based on constant concern for the security of the policyholder . . . unceasing service through conflagration and catastrophe, inflation and depression . . . all of these are firm-set stones in the foundation upon which Millers National and its 69 year old companion company, Illinois Fire, today stand facing a future of ever greater service.

## SERVICE

In addition to the already unusually complete facilities of these time-tested fire insurance companies are country wide facilities for writing ocean marine business. This is significant in view of the post war possibilities for alert agents in the marine field. In all probability an increased amount of goods will be shipped from local factory doors to ports all over the world.

## MILLERS NATIONAL INSURANCE CO. ILLINOIS FIRE INSURANCE CO.

HOME OFFICE: 137 W. JACKSON BLVD., CHICAGO

SERVICE HEADQUARTERS FOR ALERT AGENTS



## THE CHARTER OAK FIRE INSURANCE COMPANY

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ONE OF THE  
TRAVELERS  
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SWIS. This means some additional work. Usually the plants that are being transferred require some engineering inspection experience.

#### Iowa Pond Hears Governor

Governor Blue spoke before the Iowa Blue Goose at its luncheon in Des Moines, describing the work of the legislature which recently adjourned. He pointed out that a 2% premium tax bill had been passed and that rate legislation will have to be adopted before 1948.

Guests included State Fire Marshal Strohm and B. C. Hopkins, Des Moines local agent.

#### Kansas City F. & M. Field Rally

A three-day meeting of Kansas City Fire & Marine field men was held at the home office. Those attending the meeting were Morton T. Jones, president; L. Earle Wilkins, executive vice-president; O. P. Rush, vice-president in charge of production and in direct supervision of the Missouri territory; Howard Campbell, manager special service department; W. H. Jennings, Illinois state agent; E. O. Kortemeyer, Iowa state agent; Cecil McGee, Kansas state agent; James E. Roddy, Don Steventon and Francis E. Murphy of the underwriting department.

The Seattle Blue Goose heard Col. Arthur E. Campbell, past most loyal gander, discuss the European war at the April 23 dinner meeting. A social hour preceded the dinner.

J. E. Longfield, First Bancredit Corporation, spoke to the Anthracite Field Club in Scranton.

George H. Harbison, special agent of America Fore, Nashville, is back at his office after a three weeks illness. Food poisoning added to his extended illness.

The Alamo Blue Goose, San Antonio, will hold its annual picnic May 28. Four new members were elected.

The Blue Goose Auxiliary at Wichita has elected Mrs. C. W. Price, president, succeeding Mrs. R. B. Lathan. Mrs. P. M. Cormack was named vice-president and Mrs. George Landers, secretary. A picnic meeting was announced for May at the lake summer home of Mrs. Carl E. Bailey.

#### Commission Payments by FCIC Cause Speculation as to Future Possibilities

The practice of paying a small commission to certified persons for selling insurance coverage under the revived Federal Crop Insurance Corp. program has excited some interest among local agents although there has been no evidence of a rush on the part of insurance agents to become certified and to engage aggressively in the sale of federal crop cover. Anyone can apply for certification and it is not necessary that he be an insurance agent. This innovation has aroused some speculation as to whether the payment of a small commission may not be regarded by FCIC as an experiment and as a possible forerunner of reliance to a far larger extent upon private individuals to promote the sale of crop insurance.

A comparison is noted with the practice of War Damage Corp., which pays a 5% commission to producers with a top limit of \$1,000 commission per risk.

Some leaders that are interested in the success of federal crop insurance believe that if it can be made successful an effective selling job will have to be done particularly in those territories where nature is kind and successful crops are the rule. In its first incarnation crop insurance was bought most extensively where rates were high but not high enough and where farming is the most speculative. Farmers in the good agricultural regions where rates were low, did not buy the crop cover in sufficient numbers to help make up a satisfactory book from the overall standpoint.

Some observers at Washington believe that if an alliance could be made with the private insurance industry somewhat along the WDC lines a much better spread of risk could be obtained. It is even suggested that private insurers might be invited to take a limited underwriting participation as they do in WDC.

#### Gilbert, Silveria Succeed Waldron and Earle

LOS ANGELES—Richard C. Waldron, secretary of District C of the Pa-

angeles Board, and L. H. Earle, assistant district secretary, will retire from active service on pension May 1. Al W. Gilbert, manager of the District C office, will take over full responsibility for its affairs. J. T. Silveria, superintendent of the Board's office in San Diego, will be transferred to Los Angeles as assistant to Mr. Gilbert.

District Secretary Waldron has been with the board in his present position for a quarter century and is one of the best known insurance men in the state. Mr. Earle has been with the board for a score of years, most of the time in his present position.

### EVERY DAY—MAKE FIRE PREVENTION YOUR PERSONAL WAR WORK



Int. News Photo

## Are your Hotels 'Fireproof'?

Soldiers, business executives, engineers, salesmen—from many parts of the country come reports of seriously crowded conditions in hotels.

A hotel is important to a community not only as a home for transient visitors but as a public meeting place.

It may be a historical landmark. It certainly contributes to the local tax income. It provides jobs for local residents. It buys from local stores.

Probably, it cannot be rebuilt today because of the shortage of critical metals and skilled labor. Hence... it deserves every safeguard you can give it.

Are you stressing fire prevention every day? Are you working with the fire department—and other insurance agents—to make inspections? And following up with fire prevention recommendations? If not, why not start this week on hotels and similar public buildings?

#### THE OLDEST INSURANCE COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

**Agricultural**  
Insurance Company,  
of Watertown, N.Y.



**Empire State**  
Insurance Company,  
of Watertown, N.Y.

**DID YOU BUY AN EXTRA WAR BOND IN SEPTEMBER? BETTER DO IT NOW!**

## "Satevepost" Article on Work of Laboratories

Entitled "You Are Safer Than You Know," an extensive illustrated article on the work of Underwriters Laboratories appears in this week's "Saturday Evening Post." Its author, Hubbard Hoover, is a life insurance agent who devotes most of his time to writing magazine articles. However, the fire insurance field is by no means new to him, as he put in about 10 months preparing a comprehensive training course for the special agents of Firemen's of Newark several years ago.

The article on Underwriters Laboratories says that it is one organization that undertakes to protect you and your property without your doing or even knowing anything about it. It distinguishes between certifications as to quality or efficiency which the laboratories do not undertake and standards of safety which are the organization's province.

The U.L. approval of your electric razor does not guarantee that you are going to get a good clean shave, says

Mr. Hoover, it means only that you are not going to be electrocuted.

The article briefly traces U.L.'s history from the time it was created because electric lamp wiring was causing so many fires at the first Chicago's world fair. There is a description of tests made at the main station at Chicago. Most of these activities are well known to insurance men but probably few know that the laboratories' charter has a provision that if it is ever liquidated no one shall profit personally but everything must go under a deed of trust to some scientific foundation. Avocations of scientists at the laboratory are not golf and contract bridge, according to Mr. Hoover, but such things as navigation, making violins, sculpture, farming, boogie-woogie and training hunting dogs. All executives of Underwriters Laboratories are engineers and even the telephone girl can tell you the difference between a thermocouple and a thermostat.

Quoting President Alvah Small as stating that U.L.'s work is purely critical and not creative, Mr. Hubbard says that in applied science there may be such a thing as creative criticism and that the work of U.L. may stimulate many a manufacturer into creating a safer product.

Mentioning the work of the inspec-

tors, the article says that Guy Manning, who heads up the inspection work, gets 60,000 reports a year, not including the daily phone calls from frantic inspectors asking him whether they should keep on being diplomatic or whether the time has come to get tough.

The inspector according to Mr. Hoover must be alert to detect forged U.L. labels, must refuse presents of gold watches, traveling bags and smoked hams, must reason politely with the man who is trying to slip something by but when persuasion fails he must have the naked courage to stand out against Mr. Big and go down into the shipping room or out on the freight car and pull off the U.L. labels. He must be a safety fanatic.

Touching on the laboratories' aid to the government in war time in giving advice about how to do dangerous things as safely as possible the article concludes with what U.L. is doing about keeping hazards out of new postwar products.

## Superior Risk Problem Outlined

NEWARK—Rating problems in connection with the development of superior risk classification were described by Lee W. Taylor, assistant manager Sprinkler Leakage Conference and affiliated Explosion Conference and Eastern Tornado Insurance Association, in addressing the New Jersey Field Club. He said there is justification for such classifications because it is in the nature of wholesale insurance. It is relatively cheaper to write the large lines than the small lines. Originally developed by the senior mutuals about 1917, the stock companies adopted a similar policy when they found they could broaden their coverage on certain larger risks while maintaining the same basic rate.

It is uneconomical to give the extended coverage endorsement No. 3 on a small risk. A company can't insure a small risk with the same acquisition cost as a large risk. Somewhere along the line there is a stop-gap and this is in the neighborhood of \$250,000—\$300,000, other factors being equal.

The conference dropped its original

requirement of showing active competition when applying for such classification in 1936 and eligibility since has been determined strictly on the basis of physical qualifications in accordance with insurance department filings.

One of the chief factors in determining eligibility for the superior classification is the fire risk rate, a low fire rate being generally indicative of superior conditions. Superior management, maintenance, construction, and occupancy must be shown. In the case of the latter, if there are peculiar hazards, a company, for example, may give sprinkler leakage and windstorm and omit explosion coverage. Sprinkler equipment is required where necessary. Good watchman service is demanded.

Risks such as office buildings, hospitals, and hotels are generally considered ineligible as risks because extended coverage endorsement No. 4 (or supplemental contract No. 1) gives broader coverage than Form No. 3 and he said it is the duty of the agent or broker to point this out, selling the more complete protection despite its slightly higher cost.

The application for the superior form is simple. Complete information is required on the amount of fire, sprinkler leakage extended coverage and use and occupancy insurance. A complete list of the agents, brokers, and companies involved on the line must be given.

Revision of extended coverage endorsement No. 3 has been practically completed and the form should be released soon, he stated.

R. P. Crawford, Glens Falls, has entered the merchant marine and J. F. Garland, many years in the field for Agricultural, has retired. H. W. Wittich, Providence Washington, secretary, reported. Numerous letters have been received from members in the service thanking the club for its Christmas gifts. E. Milton Hackney, North America, chairman of the service-men's committee, said. An enrollment of 44 for the inland marine course was reported by H. W. Kohler, America Fore, vice-president. F. G. Adams, Travelers president, reported for the executive committee.

Illustrate your A. & H. sales talk with the "Pictograph", \$3.00 a copy. The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.



Photo by Ewing Galloway, N. Y.

WHILE New Hampshire has a timberland of about five million acres, nature lovers are charmed by the extravagant beauty of the white birches which are so prevalent everywhere. In most of the woodland areas, these trees with their glistening white bark, which is of such practical value and usefulness, comprise a scene that is ever refreshing to those nearby, and long remembered by visitors.

*While the New Hampshire Fire Insurance Company cannot match the birch trees' length of residence in the State, we are proud to have spent 75 years sharing the steady growth of New Hampshire enterprise.*



**New Hampshire**  
FIRE INSURANCE COMPANY  
Manchester, N.H. Incorporated 1869  
CAPITAL \$3,000,000

**Granite State**  
FIRE INSURANCE COMPANY  
Portsmouth, N.H. Incorporated 1885  
CAPITAL \$1,000,000



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### COMPANY

OF ZURICH, SWITZERLAND

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U. S. MANAGER

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## Harrington Forced to Defend State Rate Making

BOSTON—Commissioner Harrington at a hearing of the joint legislative committee on insurance urged immediate action upon a bill to give the commissioner authority over fire rating organizations, to meet requirements of the moratorium measure enacted by congress following the U. S. supreme court insurance is commerce decision. Mr. Harrington was prepared to explain a substitute bill to take the place of his original proposal, House 97, prepared in conjunction with stock and mutual fire interests. The substitute, he said, embodied essential features of bills recently passed in Maryland, Vermont and Tennessee and similar to the New York law.

The committee chairman asked why the federal government should not set up a bureau to regulate rates for the entire country and save the states the trouble, and this involved Harrington in a long argument as to the merits and reasons for state rate making, which consumed all the allotted time, so the substitute bill was not reached and the committee adjourned to continue the hearing next Thursday morning. Harrington argued state authorities should regulate rates as a matter of public protection and to enable assured to have recourse to some local authority as to conduct of the business.

He feared disruption among small fire companies if something definite was not done by the state this year, and said if adequate legislation was not enacted this year there would be a flood of conflicting legislation to glut the legislature next year.

Counsel for stock and mutual companies, agents and brokers and a number of company officials, including U. S. Manager E. C. Stone of Employers Liability, who have been active in work with the commissioners of the country the past year in formulating acceptable legislation, were present.

## Myers and Morey Tell Controllers of Functions

(CONTINUED FROM PAGE 3)

ciation, he said. Depreciation, for insurance purposes, is based upon the probable life of the property, taking into consideration the particular conditions to which such property is subjected. Competent appraisal of values is important to determine the amount of insurance to carry, to obtain average rates for blanket policies, and to expedite the adjustment of a major loss if and when one occurs.

Use and occupancy insurance has become so essential because the element of time is dominant in the conduct of every business, Mr. Myers said. Six months shut down can have dire consequences for a business. He also stressed the need of protection for valuable papers. There are accounting, financial, social security and wage and hour records, card index systems, perpetual inventories, corporate records, property records and many kinds of contracts, the loss of which would immediately pose the company with tremendous expense for replacement.

Don't make the mistake of waiting

### WANTED

High-class man under 40 for small but high grade insurance brokerage office in Chicago. Fire and inland marine insurance experience essential. Casualty experience helpful. Will consider alliance with small high grade broker with a few good accounts. Unusual opportunity right man. Write stating age, experience, present connection. All replies held strictly confidential. Address B-51, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### FIRE PROTECTION ENGINEER

Preferably one who is also experienced in Schedule Rating. In reply, state age, education, experience and selective service classification. Splendid opportunity, permanent position. Address B-52, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

until a loss occurs before determining what the responsibility is with respect to property of others on insured's premises, he advised.

## Northwestern Mutual Men Are Given Advancement

Two senior special agents of Northwestern Mutual Fire have been promoted. Kermit Farwell, who has been stationed in the midwestern department at St. Louis since January, 1943, is transferred to Chicago as assistant manager

of the department, it was announced by Geoffrey Christian, vice-president and eastern division manager, who makes his headquarters in the Chicago department office.

W. H. Pearce, who has been traveling in northern Ohio and Michigan out of Medina, O., becomes assistant manager of the central department and is moving to Columbus. Mr. Pearce joined the central department in October, 1934, as a special agent traveling out of Columbus and has traveled in the two states ever since.

He has been replaced in the northern

Ohio and Michigan fields by H. W. Schreiber, who has been connected with Northwestern Mutual since Jan. 1, and previously for a number of years was with America Fore, being Michigan special agent and then transferred to Chicago as an underwriter.

Mr. Farwell has been with the company since May, 1929, when he started as a clerk at the home office. He was transferred to Columbus as underwriter and then became Ohio special agent and went to St. Louis in 1943.

Mr. Farwell probably will remain at St. Louis until a successor is appointed.



### BROADWAY FOOD MARKET

1708 - 2 BROADWAY  
HOUSTON, TEXAS

December 18, 1944

American District Telegraph Co.,  
344 First National Bank Bldg.,  
Houston, Texas

Re: Letter December 12th

Dear Sirs:

On December 12th, at 2:03 P.M. during business hours at which time I was working in the front of the store, your operator called me to inform me that there was a fire somewhere in the building, and that they had already notified the fire department.

I searched the store for the fire and finally located it in the ladies' rest room - by that time the fire department was here, a matter of a few minutes only. The fire was not even in a blaze as the alarm went off. Immediately at the start of the fire, and no serious damage was done to building or stock. We continued doing business right along as if nothing had happened.

I have the warmest praise for the handling of these fire alarms, since we just went through a fire in February of this year, at which time we were closed up and did not know of the existing fire until six hours later. Had we had the Aero fire alarm this would not have occurred.

Again let me say it is wonderful and gives one a feeling of security and rest. Thanks a lot.

Very truly yours,  
BROADWAY FOOD MARKET

BY *Myers*

MX:ENG



Exterior and interior views of Houston's modern Broadway Food Market—protected by the A.D.T. Aero Automatic Fire Alarm.

EVERY  
*Minute*  
COUNTS

...WHEN FIRE STRIKES!

The letter reproduced above provides convincing evidence of the speed of the AERO AUTOMATIC FIRE ALARM in detecting fire and summoning fire-fighting assistance when it is most needed...in this instance

before the fire was discovered by those on the premises.

Write for descriptive booklets which explain in detail how this remarkable system eliminates the hazard of belated discovery and delayed alarms.

## AERO AUTOMATIC FIRE ALARM

Controlled Companies of AMERICAN DISTRICT TELEGRAPH CO. 155 Sixth Avenue, New York  
CENTRAL STATION OFFICES IN ALL PRINCIPAL CITIES OF THE UNITED STATES

**ADT**

*Electric Protection Services*  
**AGAINST FIRE · BURGLARY · HOLDUP**  
A NATION-WIDE ORGANIZATION

## The Good Neighbor Policy in Action



Photo by Ewing Galloway, N. Y.



THE mile-long pier at Puerto Colombia is representative of the important commerce carried on here. It is natural to find American business interests in the midst of such progress. Americans have already invested over \$250,000,000, mostly in petroleum, mines, banana lands and bonds. They will continue to be heavy investors in Colombia.

Wherever American enterprise goes, the American International Underwriters Corporation will be found—giving complete insurance protection—backed by American dollars. Experience is the word to remember when you think of this Company—experience of many years in handling any kind or amount of fire, marine, or casualty insurance on American risks located in foreign fields.

Many of your assureds have places of business outside the confines of the United States. We can assist in solving their insurance problems.

### AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION

111 JOHN STREET, NEW YORK

340 PINE STREET, SAN FRANCISCO

AMERICAN INTERNATIONAL UNDERWRITERS DE COLOMBIA, Limitada

Edificio Bolsa, Bogota, Colombia



## Shaky Truck Lines Spotted by Central Analysis Bureau

(CONTINUED FROM PAGE 1)

pany that finds itself with a risk that is going sour is to cancel, sometimes the agency pressure is so strong that it tries to find some possible way to accept or continue with the line. Various remedial courses are possible if the situation has not gone too far. For example, a truck fleet was found to have some \$60,000 in unsettled claims for which the insurer would have been liable if the line had gone bankrupt. An arrangement was worked out to place enough money in escrow so that if bankruptcy occurred the insured would have enough money to take care of these claims that would arise under I.C.C. endorsements.

In another case additional financing was arranged for a line where the chief trouble was inadequate capitalization. In still another case where insolvency threatened Mr. Schindel worked out a plan so that the truck line owner's life insurance cash values were assigned to the insurer. When the line went broke these funds saved the insurer from loss under its I.C.C. endorsements.

### Proves Diagnosis

The bureau has to be equally careful not to err either in giving an unfavorable report on a line that is really in good shape or in giving a shaky concern a clean bill of health. In making adverse reports Mr. Schindel has often had to prove his diagnosis right up to the hilt, for the producer is quite likely to challenge the analysis and even contend that Mr. Schindel doesn't know what he is talking about. He has been able to prove conclusively in each case that he knew very definitely what he was talking about. In some cases it came out that part of the agent's concern was due to his being a creditor of the line to the extent of a substantial amount of overdue premiums. Usually it turns out that the agent had no idea how bad the situation was and that the situation was such that it was only a question of a short time before bankruptcy overtook the operator.

In many audit reports where trouble is indicated it is shown up in heavy overdrafts at banks, notes owed, and other obvious ways. Less easily spotted are overvaluation franchise and/or equipment. Such overvaluations make a pretty picture but are a means of creating assets that are not there. A truck operator can't draw checks against his franchise and if he carries an ancient truck worth \$100 or \$150 on his books at \$1,000, as some have done, he is only kidding himself.

### Advance Signs of Bankruptcy

As to giving the O.K. to truck line which subsequently became insolvent, this has not happened yet and Mr. Schindel employs the utmost vigilance to see that it does not happen. Concerns in the trucking field that are headed for insolvency usually—perhaps always—give advance warning by many signs that are apparent to a practiced eye. It is of course conceivable that a report could be so skillfully falsified

that of itself it would arouse no examiner's suspicions.

Yet it would be extremely difficult to do even if the report were to be considered by itself only. When examined in the light of conditions in the area, the I.C.C. reports, and the probabilities as appraised by a skilled, experienced analyst, the chances of a clever fake's getting by appear very remote. Actually there has been extremely little evidence of deliberate falsification. Some reports have for good reason been turned in incomplete. In one such case the line went broke a few weeks later.

### More Data Than Expected

Though the Central Analysis Bureau has been operating only a comparatively short time, the audits have disclosed far more information than it was at first believed possible to obtain. The bureau also acts as a clearing house for information of interest to underwriters, though of course all information about insurers is held confidential. The bureau's purpose is not underwriting but to protect against possible losses due to insolvency and the insurer's consequent liability under I.C.C. endorsements. Nevertheless, information developed by the audits and by investigation has proved very valuable from an underwriting standpoint.

While no truck line is having too easy a time under today's conditions, by no means all of the operators are heading for trouble. Information as to solvency on all carriers is essential, in view of the insurers' I.C.C. endorsements, but aside from those which are so sour that they should be cancelled off or written only with some sort of guarantee, there is a group which insurers may be willing to continue with, perhaps for agency reasons, but which must be watched especially closely, and their condition checked more frequently than the general run of truck risks.

### Expense Ratios 97.1%

The spot that the truck lines are in can be easily inferred from a survey by transportation trade paper which showed that 1,433 Class I operators out of a total of about 2,000 have an average expense ratio of 97.1%. Class I lines are those having gross annual incomes of \$100,000 or more. In the mid-west the average ratio was 102.6.

Part of the truck lines' troubles is that their business expanded so rapidly that many operators succeeded in spite of inadequate capital and sloppy management. Now that conditions are tough, the marginal operators are being squeezed. That the truckers' troubles are not wholly due to inadequate rates set by the I.C.C. can be seen by the fact that of two lines operating in the same territory one may be found making money and other losing money.

## War Surpluses and Insurance Problems

(CONTINUED FROM PAGE 1)

this property for the most part is not insured. The liability for it was fixed by contract and this situation gave rise to cases which could be handled more efficiently by using private loss adjustment facilities. If it were not for this arrangement the regulations provide that

## PROTECTION ASSURED



TWO HUNDRED TWENTY-FIFTH ANNIVERSARY

THE *London Assurance*

99 JOHN STREET, NEW YORK 7, N. Y.

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151ST ANNIVERSARY

1945

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April 26, 1945

when government property is lost, destroyed, or damaged except by "fair wear and tear in the service" a survey is required to determine the responsibility therefor and to recommend disposition of the property damaged, this survey being conducted by a board of army officers.

Wielder J. B. Quisenberry, assistant general adjuster of Royal-Liverpool, introduced Major Munro. Like E. W. Elwell, U.S. manager of Royal Exchange, a guest speaker at the previous meeting, Major Munro joined the New York City pond and was obligated along with a large class of other goslings.

#### Many New Members

Frank Eubank, director of education Royal-Liverpool, and John F. Satterlee, general adjuster of Atlas, joined the New York City pond while continuing their membership in St. Louis and South Carolina ponds respectively. E. T. O'Brien of O'Brien & Co., Hartford, joined the pond by certificate of flight from the Ohio pond.

An exceptionally large class of goslings was obligated. Most Loyal Gander W. F. Ohl, Jr., gave the obligation and Past M.L.G. Fred Bross gave the charge. Those taken into the pond included J. W. Ansell, attorney Home; E. M. Barrett, engineer Firemen's; C. L. Brandt, agency supervisor, North British; R. J. Curcio, adjuster Fire Companies Adjustment Bureau; E. W. Elwell, United States manager of Royal Exchange; Thomas P. Finegan, New York metropolitan loss manager National Union; Samuel I. Gray, special agent New York Underwriters; Merritt A. Ingalls, engineer John Hankin & Bro.; John A. Kolb, underwriter Phoenix of Connecticut; John J. McAndrews, adjuster Greer Adjustment Co.; Robert M. Maeser, adjuster J. T. Dargan & Co.; J. A. Munro, executive regional manager Royal-Liverpool; Harold A. Peterson, adjuster Edward R. Reilly adjusting firm; Charles R. Schroeder, special agent Aero Insurance Underwriters; E. C. Smith, assistant secretary "Weekly Underwriter;" H. David Sutton, engineer Firemen's; Lee W. Taylor, assistant manager Explosion Conference; Howard E. Smith, N. Randall Thomas and Robert E. Waldon, adjusters Fire Companies' Adjustment Bureau.

Mr. Ohl said that the next meeting which will be the annual gathering will be held during either the first or third week in June. He appointed the following past most loyal ganders as the nominating committee: Robert F. Moore, New Jersey state agent of Boston, chairman; Herbert W. Puschel, assistant manager service department of Home; Richard C. Williams, general adjuster of Hanover and Grand Supervisor Philip M. Winchester, general manager eastern department F.C.A.B.

#### Vetoes N. Y. Mortgage Bill

Governor Dewey of New York has vetoed the bill which would give mortgagors, in respect of personal property, the right to negotiate insurance through any agent or broker of their own selection and which changed the penalty for violation by the mortgagee.

Governor Dewey said that the bill is defective. The legislation was sponsored by upstate New York agents and was

strongly opposed by finance and discount companies.

#### Legislator Says Insurance Should Protect Interests

BUFFALO—Speaking at the sales congress of the Buffalo Life Underwriters, Inc., State Senator Walter J. Mahoney, chairman of the senate insurance committee, mildly criticised insurance men for not taking a more active interest in legislative matters.

"It has been my observation in Albany," he said, "that insurance companies are taking a backward attitude—they

seem afraid to assert themselves in the protection of their rights which, after all, means the rights of the policyholders. The insurance business should not take the sanctimonious view that because the business is above reproach, it doesn't have to worry about protecting its interests."

#### Lake County Association Elects

Walter MacNary of Hammond, Ind., was elected president of the Lake County Insurance Agents Association. The other officers are Carl Binhammer, Whiting, vice-president; Kenneth McLennan, Gary, secretary; Tyrie Robbins,

Gary, treasurer. The directors are Paul Knight, Crown Point; Leo Miller, Griffith; David Furse, Gary; Walter Thornton, Hammond, and Max Friedman, East Chicago.

#### Ruff to American States

Cloyd A. Ruff, for the past four years rate supervisor in the Indiana insurance department, has been appointed chief underwriter of American States Fire for several states at the home office in Indianapolis. Before going with the Indiana department, he was for several years a branch manager for the Indiana Inspection Bureau.



## Future of Insurance Companies

The insurance industry is being attacked from three vital angles

### (1) Demand for Lower Rates

The public insistence on rate cuts will probably grow stronger — with the agents the greatest sufferers.

### (2) Lower Income on Portfolios

The degree of injury sustained will depend upon future interest rates from which no immediate relief is in sight.

### (3) Increased Fire and Casualty Losses

*These losses can be largely reduced — Loss-ratios are inversely proportioned to municipal fire, police and traffic signals supplemented by sprinklers, automatic alarms and well-trained manpower. Upon these the value of insurance stocks largely depends.*

## YOU CAN HELP

Reduce Fire and Casualty Losses by Recommending —

- (1) A FIRE ALARM BOX—at every fire hazard. \*
- (2) BETTER "HOUSEKEEPING"—keeping the property free of rubbish.
- (3) ADEQUATE POLICE PATROL—with recorded performance of police duty.
- (4) SPRINKLER SYSTEMS AND AUTOMATIC FIRE DETECTION SYSTEMS.
- (5) TRAFFIC SIGNALS—at street intersections.

\*70% of the losses occur as a result of only 4% of the total fires. If municipal fire alarm boxes had been on this 4% of the buildings involved then over 50% of your total fire losses might have been eliminated.

## The Gamewell Company

Newton Upper Falls 64

Massachusetts

#### Wanted

Ocean and Inland Marine Special Agent who would like to reside in the south. Male. Age 30-35. State experience. Box B-53. National Underwriter, 99 John St., New York 7, N. Y.

#### ATTORNEY AND ADJUSTER FOR DETROIT

Attorney, 42, after two years in government legal work offers an insurance company or law firm the benefit of twelve years claim experience including negligence trial practice. Salary based on ability to be of service. Address Box B-55, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## EDITORIAL COMMENT

### Underwriting Disabled Drivers

Providing disabled persons with automobile insurance will not, perhaps add enormously to the public prestige of insurers and the insurance business, but failure to do so unquestionably would arouse a great deal more public animosity than the size of the problem warrants.

Because the issue arises in connection with returning disabled servicemen the insuring of disabled civilians has become almost an inseparable part of the same issue.

Unless insurers adopt the policy of accepting such risks and face the problem positively rather than negatively, in addition to doing a good deal of irreparable harm to the business relation with the public, there is every indication that the industry would get compulsory automobile insurance bills. Already legislation to compel the writing of disabled persons has cropped up.

Such risks can hardly be underwritten by the same standards as regular assured, yet the underwriter by training and because of the responsibility which he carries in relation to management cannot simply throw such risks

into the general pool without any processing whatsoever. He recognizes an obligation to other assured in the pool who must meet underwriting standards to get insurance. Yet this formula cannot be applied to the situation created by the disabled veteran or civilian without appreciable modification to fit the special considerations of public relations that are involved.

One phase of the problem is the absence of any substantial body of experience on disabled drivers as such to which an underwriter can go for guidance. Perhaps one of the things that the companies should do is to keep records on this class business, starting now. The problem will be with them for years to come, and the agent, the underwriter, and management all have a real interest in seeing that the solution is the best one that can be attained for the public, for the production forces and for the companies. There is little doubt that the industry's stake in the matter should extend to an active interest and perhaps participation in work to rehabilitate disabled drivers. The industry wants some immediate and intelligent leadership.

### Task of Filling the Gaps

As soon as possible when hostilities cease and we begin to assume normal life, insurance offices will need to do much patching. Before any organization buildup starts there are many holes that will need to be filled. It might be said that in almost all offices there are gaps that are very noticeable but which cannot be remedied at this time. Inexperienced people have been employed and they have done the best they could. However, in every department there are key positions that need to be filled at once. There is a dire need for competent, industrious, resourceful young people. Aside from the general work there is a dearth of specialists because so many have been called into the

service.

In due season there will need to be much building of organization especially at the top. There must be given more thought to the line of succession so that the loss of one man will not cause a jolt. That is probably the most important duty for directors and executives to fill. In addition, however, there is the need for patching, that is, filling in vacant spaces here and there so that the processes will move along in an orderly way.

The employment of temporary help or oftentimes a lack of employment of any help has brought out the weaknesses in organizations and shows where rehabilitation is most sorely needed.

### Lesson from Insurance Graveyard

When one reads the tombstones in the insurance graveyard he is compelled to reach one conclusion. There have been thousands of insurance corpses due to the departure from certain fundamental procedure and principles. Every profession and every business is or should be based on a few principles that have been tested and tried and not found wanting. They form the foundation of an institution. When any

enterprise departs far from these or attempts to build a structure on a different basis, there is failure. The fundamentals must be observed. Those companies that observed them the most religiously are able to depart now and then a short distance. The trouble with the insurance mortality is that it is due to a management thinking that it can ignore the fundamentals on which the business is built. There are 100 cents

in every dollar. When one endeavors to squeeze out more he is really contracting the genuine dollar. When he endeavors to stretch it the expansion breaks. We must not ignore the basis on which insurance in its various classifications is built. It is well now and then to take a refresher course and review the situation. It is wise to study the underpinning and see how the superstructure is affected by it. Any attempt to over-ride something that is basic and necessary to success spells failure from the start.

We can learn much from studying the insurance graveyard, ascertaining what was the cause of death and how

it might have been avoided. To those who are entrusted with management it would be a most salutary study to delve into the history of the old institutions that have had a successful career and discover why they were successful and why they are old. Every once in a while the management believes it has a short cut and it can take advantage of some condition that will give it a boost. Very often these temporary, artificial advances sound the death knell. There are many elegant superstructures that catch the eye and yet in due season fall because the foundations have not been properly laid and maintained by management.

## PERSONAL SIDE OF THE BUSINESS

William F. Kramer, chairman of Reliable Fire of Dayton, has been confined to his home by illness since December.

E. J. Weiss, president of Reliable Fire of Dayton, completed 44 years in the insurance business April 22. He started as a clerk in his father's local agency at Cincinnati.

John R. Cooney, president of Firemen's, has been elected a director of the Newark Chamber of Commerce.

H. R. Breshears, special agent at Seattle of American, is seriously ill at his home. After a brief sojourn in the hospital he was permitted to return home but is confined to his bed and it will be several weeks before he will be able to return to the office.

Mrs. Evalyn F. Andrews, librarian of the Insurance Library in the Insurance Exchange, Chicago, has reached the proud and notable position of grandmother. Her son, Lt. James Andrews, is the father of a daughter, born at Salem, Mass. He is on active combat duty in a ship on the Pacific.

Fireman's Fund has presented to the delegates to the United Nations Security Conference, now in session in San Francisco, handsomely prepared and illustrated booklets called "Storied San Francisco" as souvenirs of their visit and the occasion. The booklets also will be distributed by the company to its stockholders and others who may desire them.

William T. Benallack, secretary Michigan Fire & Marine, is featured as the "Shriner of the month" in the April issue of the "Moslemite," Detroit Moslem Temple publication.

George R. Webb, manager of the fire department of Thos. McGee & Sons, Kansas City, injured his leg in an accident while working in his yard and serious complications resulted, causing the amputation of his leg above the knee. He is just out of the hospital and sitting up in a wheel chair. Mr. Webb, who has been with the McGee agency 25 years is also vice-president of Old American.

Edward J. Fleck, special agent of the marine department of Home, covering Kansas, Missouri and Arkansas, has been elected a director of the Junior Chamber of Commerce of St. Louis.

George E. Allen, vice-president of Home, seen much around the White House since President Truman's induction into office, says he is merely avail-

able to do spade work upon request of the President. Mr. Allen is understood not to be working in an official capacity. He accompanied Mr. Truman on his vice-presidential campaign "swing around the circle" last year.

In a shift of officers in the Missouri state guard, Harry M. Gambrel of the Gambrel-Stubbs agency, Kansas City, who is a brigadier general, becomes the senior line officer and as such the commanding general of the state guard.

## DEATHS

Ben F. Criswell, independent adjuster at Greeley, Colo., died there after a short illness. He was in the adjusting business in Denver for many years, and before going to Denver was state agent of North British in Oklahoma.

John Lamb, who formerly was connected with the head office of Underwriters Adjusting at Chicago, was killed in action in Germany. He leaves a widow and a small daughter. Mrs. Lamb is the daughter of John A. Seibel, head of the loss department at the head office of Millers National.

Harry C. Hulley, assistant manager of the New York office of Phoenix-Connecticut group, died in Lenox Hill Hospital there. He was widely known in insurance circles, particularly on Long Island. Mr. Hulley entered the employ of Phoenix of Hartford Aug. 1, 1936, after a long association with J. W. DeMott & Son agency of Brooklyn. In 1942 he was made assistant manager of the Phoenix-Connecticut group's New York metropolitan department, where he had underwriting and administrative duties assisting Manager Edward J. Martin.

Murray W. Fox, 46, chief examiner of London & Lancashire in the eastern department at Hartford, died suddenly in his automobile there. He had been with the company 26 years.

Frederick Puttkammer, 41, for 22 years counterman at the Critchell-Miller Agency, Chicago, died suddenly there. Prior to going with Critchell-Miller he was with Phoenix of London.

Mrs. Sarah Ida Perry Bush of Wilmette, Ill., widow of Harvey Bush, former assistant western manager of Fireman's Fund, died at Wesley Me-

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morial Hospital, Chicago. Burial will be at Kankakee, Ill., where Mr. Bush is buried. Mr. Bush died in 1938.

**E. J. Hollister**, 79, who was well known to many fire insurance men from over 40 years work with R. G. Dun & Co. and Bradstreet's, died in Rockford, Ill., last week. Although failing for some time, he had not been acutely ill until he suffered a sudden stroke, from which he died quietly and painlessly within two days.

Born in Wisconsin, Mr. Hollister entered the credit reporting business as a young man, serving first with Bradstreet's for a short period. He then went with R. G. Dun & Co. in Chicago and, after working his way up through several positions, was made manager at Rockford in 1888. The fire insurance companies at Rockford were the most important clients of his office and he devoted himself to a special study of this aspect of credit work. As a result, he was made special representative in charge of insurance contacts in 1904, with headquarters in Chicago. In 1914 he went with Bradstreet's in a similar capacity, working out of New York, though he continued to make his home in Rockford. He traveled extensively during both these periods and became acquainted with practically every fire insurance executive and familiar with fire insurance practices. He was responsible for the introduction of many innovations which are now standard practice in credit reporting for insurance companies.

Leaving Bradstreet's in 1930, shortly before the consolidation of the two mercantile agencies, Mr. Hollister became associated with the "Insurance Producers Bulletin" at Chicago. In 1935 he went with THE NATIONAL UNDERWRITER as special representative for the "Fire, Casualty & Surety Bulletins" and continued in this work until last year.

He is survived by Mrs. Hollister, two sons, H. K. Hollister, of the Blumberg Bros. agency in Detroit, and M. A. Hollister, who is with a Detroit manufacturing company, and a brother, Franklin, in the printing business in Chicago.

**Thomas J. O'Day**, 78, of the Paine & O'Day agency, Aberdeen, Wash., died there. His son, L. E. O'Day, is active head of the agency. The elder O'Day was printer and instructor in advertising and journalism at Washington State College 1913-1940, and on his retirement became associated with his son in the insurance business.

**Howard D. Cutter, Jr.**, of Atlanta, an assistant chief engineer of Southeastern Underwriters Association, died at the age of 48. Mr. Cutter was born in Macon, Ga., and was a graduate of Georgia Tech. He was a member of the Georgia Engineering Society, and Georgia Blue Goose. He had resided in Atlanta for 31 years.

**T. J. Keegan**, 58, manager of the Thomas T. North Adjustment Company, Chicago, died there unexpectedly follow in a heart attack. He suffered attacks in January, 1945, and spent some time in the hospital. Recently he had been going to the office for several hours each day. He became associated with Mr. North in 1935 and prior to that was superintendent of claims for General Accident in Chicago for many years.

**Alexander Clark**, prominent local agent at Scranton, Pa., for many years, died at his home there after an illness of about six months. He was head of the Bushnell & Clark agency.

A son, Alexander Clark, Jr., who is head of the Fidelity & Deposit office in the Conkling, Price & Webb agency, Chicago, was on an eastern trip and got to Scranton just before his father's death. Another son is manager of Fidelity & Deposit at Boston.

**Kenneth D. Jackson**, 44, manager at Sandusky, O., for Western Adjustment, died suddenly after a brief illness.

**Francis W. Calhoun**, special agent in the New York suburban territory of Norwich Union, died at a hospital at

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, April 23, 1945.

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	2.50	74	76
Aetna Fire ....	10	1.80	55	57
Aetna Life ....	10	1.50	47 1/2	49
Amer. Alliance ..	10	1.20	20 1/2	22
Amer. Cas. ....	10	1.00	17 1/2	18
Amer. Equitable ..	5	1.00	11 1/2	13 1/2
Amer. Home ....	10	...	11	12
Amer. (N. J.) ...	2.50	.60	17	18
Amer. Surety ....	25	2.50	60	62
Balt. Amer. ....	2.50	.30	7	7 1/2
Boston ....	100	21.00	635	650
Camden Fire ....	5	1.00	20 1/2	22
Contl. Cas. ....	10	1.80	46	47
Contl. Assn. ....	10	1.20	44	46
Contl. N. Y. ....	2.50	2.00	50 1/2	51 1/2
Fidelity-Phen. ...	2.50	2.20	56	57
Fire Assn. ....	10	2.50	70	72 1/2
Firemen's (N.J.) ..	5	.40	13	14
Fireman's Fund ..	10	3.00	94	96
Franklin Fire ....	5	1.00	23	24 1/2
Glens Falls ....	5	1.85	48 1/2	50
Globe & Repub. ...	5	.50	8 1/2	9 1/2
Gt. Amer. Fire ...	5	1.20	29	30 1/2
Hanover Fire ....	10	1.20	28	29
Hartford Fire ....	10	2.50	104	106
Home (N. Y.) ...	5	1.20	27 1/2	28 1/2
Ins. Co. of N. A. ..	10	3.00	94	96
Maryland Cas. ...	1	...	11	11 1/2
Mass. Bonding ...	12.50	3.50	75	77
Natl. Cas. ....	10	1.25	30	32
Natl. Fire ....	10	2.00	58	60
Natl. Liberty ....	2	.30	7	7 1/2
Natl. Un. Fire ...	20	5.00	175	180
New Amst. Cas. ...	2	1.00	26	27
New Hamp. ....	10	1.80	46	47 1/2
North River ....	2.50	1.00	22 1/2	23 1/2
Ohio Cas. ....	5	.70	27 1/2	29
Phoenix, Conn. ...	10	3.00	85	87
Preferred Accl. ...	5	1.00	12 1/2	13 1/2
Prov. Wash. ....	10	1.40	33	35
St. Paul F. & M. ...	12.50	2.00	79	81
Security, Conn. ...	10	1.40	33	35
Sprgfd. F. & M. ...	25	4.75	116	120
Standard Accl. ...	10	1.45	35 1/2	37
Travelers ....	100	16.00	580	590
U. S. F. & G. ....	10	1.50	39	40 1/2
U. S. Fire ....	4	2.00	49	51

\*Includes extras.

## IN U. S. WAR SERVICE

**Lt. Lewis H. Wallace**, assistant treasurer of the Anderson-Hopkins agency, St. Joseph, Mo., has just been promoted from lieutenant (j.g.). He was a member of the Missouri legislature before he entered the navy.

**Lt. Comm. Fred Valley** of the navy, former special agent in Seattle of Royal-Liverpool, was a visitor there after spending almost five years in the service.

**Raymond N. Brown, Jr.**, son of Raymond N. Brown, treasurer of Maryland Casualty, a technician fourth grade of infantry, has received a citation for meritorious service at Saipan during the period April 1-July 9, 1944.

**J. F. Inglis, Jr.**, has been liberated by the American army from a German prison camp. He was reported missing in action in Belgium Jan. 5. He is son of J. F. Inglis, head of the New York City brokerage firm of that name and a nephew of Edward S. Inglis, vice-president of Corroon & Reynolds.

## Change Denver Promotion Plans

National Farmers Union Motorists Mutual, the organization of which was started at Denver, it has now been decided, will not be put into being. The incorporators propose now to organize a stock company but the plans are not yet complete.

The Minneapolis Claim Men's Association held its spring party April 21.

Yonkers, N. Y., after a long illness. He had been inactive nearly a year.

Mr. Calhoun in his earlier days was connected with Globe & Rutgers and he had been with Norwich Union since 1917.

**John Krug**, 68, manager of the New York suburban and New Jersey department of Corroon & Reynolds, died this week of a heart ailment at his home in Laurelton, L. I. Mr. Krug's insurance career extended over 40 years, half of which he spent with Corroon & Reynolds. He was with J. S. Frelinghuysen Corporation on the West Coast during the last war.



# How Does NATIONAL SERVICE LIFE INSURANCE

## Affect the General Insurance Man?

Not directly, but your clients returning from the service will ask you questions not only about general insurance but also about National Service Life Insurance. You will want to be prepared to answer these questions.

What are the plans to which this life insurance may be converted?

How soon after discharge must a veteran convert his insurance to a permanent plan?

How may lapsed life insurance be re-instated?

What are the premium rates for each type of insurance?

What are the guaranteed values?—cash value, paid up and extended insurance?

Who may be beneficiaries, and how may a beneficiary be changed?

What are the provisions for and amounts of installment payments to beneficiaries?

These and scores of other important questions are answered in a booklet, published by the Veterans' Administration, which the Connecticut Mutual is offering free to general insurance men. It is a clearly written, 25-page, well-indexed, helpful booklet that will be invaluable to you for reference purposes when your clients, beneficiaries, prospects or friends ask you about National Service Life Insurance. Complete the coupon below and send for your copy NOW.



## Connecticut Mutual Life INSURANCE COMPANY

Connecticut Mutual Life Insurance Company  
Hartford, Connecticut

Please send me, without cost or obligation, the Veterans' Administration booklet, "Information and Premium Rates—National Service Life Insurance."

Name..... (please print)

Street.....

Town or City..... State.....

N.U. 1



# EMPLOYERS REINSURANCE CORPORATION

J. B. ROBERTSON—PRESIDENT

**N**O BUSINESS OR PROFESSION has escaped the complexities which modern living has produced. *Specialization* for maximum effectiveness long ago became the order of the day. By devoting our effort and facilities wholly to the *special* business of Casualty Reinsurance we have built and maintain service of maximum value to casualty underwriters—constantly at their instant call.

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## New Minn. Financial Responsibility Law Effective July 1

### State Will Publicize It—Slight Differences from New York Model

ST. PAUL—A campaign to publicize the new Minnesota financial responsibility act, which was recently signed by Governor Thye and becomes effective July 1, is being undertaken by the Minnesota highway department, which will enforce the new law. Similar publicity campaigns have been carried on in other states with this legislation.

E. P. Lee, in charge of the licensing bureau of the highway department, recently visited Indiana and Michigan to study procedure in those states. In an address to the Ramsey County Safety Council, Mr. Lee explained the law in detail and estimated that it would affect about 40,000 drivers each year. That number, he said, are involved in accidents in which there is personal injury or death or damage exceeds the \$50 minimum in the new law. Mr. Lee said he is afraid the \$30,000 appropriated to enforce the new law may not be enough.

#### Details of Law

Insurance agents differ as to how the new law will affect their business, some looking for an immediate increase, others a gradual one. It is estimated that less than 50% of the cars in Minnesota are now insured.

The law is similar in general to the other so-called "New York-New Hampshire type" financial responsibility laws, reaching a motorist as soon as he has an accident, instead of after he fails to pay a judgment. It provides that any person who is involved in an automobile accident in Minnesota causing damage to the property of any one person of more than \$50 or causing personal injury or death shall lose his driver's license unless he provides evidence that he is able to pay for the damages of the accident. This proof may be liability insurance, bond, deposit of cash or securities or proof that the motorist has qualified as a self-insurer. If the license is suspended, the motorist may get it back by depositing security or if no suit is brought against him within a year, he is absolved of liability or if he pays any judgment against him, up to \$5,000 for any one person, \$10,000 for the accident and \$1,000 for property damage, or arranges to pay it off in instalments.

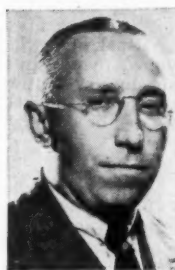
#### Differences from Usual Laws

The principal difference between the Minnesota law and most "New York-New Hampshire type" laws is that the Minnesota statute does not require the motorist to carry insurance or post other evidence of financial responsibility as to future accidents if he pays any judgment against him or is held blameless. Another section of the law, similar to most older financial responsibility laws, requires proof of financial responsibility as to future accidents if there is a judgment against the motorist and he fails to pay it, but apparently this does not apply if the motorist pays any judgment when entered. Most laws of this new type call for evidence of future responsibility once a license is lost because of an accident, even if the judgment is paid promptly or if the motorist is held blameless.

The Minnesota law refers only to

## Philips Returns to Executives Body as Publicity Chief

The Association of Casualty & Surety Executives has established the division of information and publications, and has appointed Harold K. Philips, a former head of the publicity department, as its director.



H. K. Philips

The new division embraces all of the past activities of the publicity department, publication of the "Casualty & Surety Journal," and in addition becomes the division through which all publications and releases of public information will be channeled.

Hardy Burt will continue as editor of the Journal and also becomes assistant director of the division of information and publications. Ralph Reed Wolfe also continues as assistant editor of the "Journal" and will assist in the new functions of the entire division. The remainder of the staff of the publicity department and the magazine will continue as in the past.

#### With Association Five Years

Mr. Philips was publicity director of the association from 1938 until 1943, when he resigned to become editor and publisher of the "High Bridge Gazette," which he had purchased a year earlier. Several months ago he sold the "Gazette."

Prior to joining the association in 1938, Mr. Philips had a background of experience in the fields of publicity and journalism. He was national publicity director of the American Legion for four years and for the six years previous thereto was a member of the Washington staff of the New York "Herald Tribune." Earlier he had been a reporter on the Washington "Evening Star," Associated Press and the Baltimore "Sun."

drivers' licenses, while most laws also provide for suspending the registration of an automobile involved in an accident. The Minnesota law also states specifically that it does not apply to a vehicle legally parked, with any prescribed lights burning, at the time of the accident, to the owner of an automobile used or parked without his express or implied permission or to accidents involving damage or injury to the owner or driver only, or to his automobile only.

There apparently will be no problem in handling the assigned risks in Minnesota under the new financial responsibility law, as an automobile rejected risk plan has been in operation there for some time, handling North Dakota situations as well. This plan, it is believed, will simply be continued but will, of course, become more active when the new law goes into effect.

## Self-Insuring Costly, Minnesota Discovers

ST. PAUL—The state of Minnesota is finding that self-insuring is costly. The state has just made a settlement with Mary Witham, who was injured in a bridge collapse while attending the University of Minnesota. It has agreed to make her monthly payments as long as she lives or until she recovers and these payments may go as high as \$250 a month. She is in her early 20s.

## Pritchard General Re Executive V.P.

### Boles Chairman and President—New North Star Officers—Wang Resigns

NEW YORK—Charles H. Pritchard, formerly a vice-president of General Reinsurance, has been elected to the newly created position of executive vice-president.



C. H. Pritchard

At the same time, Edgar H. Boles, president of General Reinsurance and North Star Reinsurance, was elected by each organization to the new position of chairman. He remains president of both companies.

W. W. Greene, a vice-president of General Reinsurance, was made a vice-president of North Star Reinsurance. George H. Baird, an assistant secretary of General Reinsurance, was elected a vice-president of North Star; Howard G. Crane, treasurer of General Reinsurance, was made treasurer, and Charles F. Emmons was named secretary.

A. R. William Wang has resigned as vice-president and secretary of North Star to enter private practice as a reinsurance consultant and advisor.

## Responsibility Bills Emerge in Ill.

Bills to enact financial responsibility laws of the New Hampshire-New York type are now pending in the Illinois legislature. They embody recommendations made by a special committee of the Illinois State Bar Association. The senate bill, 368, was introduced by Downing and Barry and house bill 109, which was introduced some time ago by O'Grady, was amended to correspond to the Downing-Barry measure. Hearings were held Wednesday before the house motor vehicle committee on the O'Grady bill and also HB 228 which is a compulsory automobile insurance bill.

The financial responsibility bills are not characterized as administration measures but they do have substantial support. They are aimed at counteracting any movement that may develop for compulsory insurance.

Senator Ryan of Illinois has introduced a catch all insurance bill which provides among other things for an increase in the premium tax on foreign insurers to 4%. It also provides that foreign insurers must invest at least 75% of the policy reserves on Illinois risks in the same manner as is provided for the investment of funds by domestic companies. It also features a number of provocative life insurance provisions.

The bills introduced by Harry Topping, local agent of Kankakee, in the lower house of the Illinois legislature have been given a do pass recommendation by the house insurance committee. These are provocative bills that are being watched with much interest by insurance people. One requires insurance companies to pay uniform commissions and brokerage throughout the state and is modeled after a New Jersey law. Another would enact a valued policy law for residence fire insurance.

Bills have been introduced both in the house and senate of the Illinois legislature to increase the maximum amount recoverable in that state for causing death by wrongful act from \$10,000 to \$15,000.

## Believe Industry Must Insure Impaired Drivers

### Otherwise Situation Is Loaded with Dynamite, Mutual People Believe

Public opinion is such that insurers cannot decline to write automobile coverage on disabled veterans, and because the issue involves so much sentiment, it is going to become more and more difficult to decline the underwriting of impaired civilians as well. These were conclusions reached at the casualty underwriting conference of the National Association of Mutual Insurance Companies at Chicago.

F. E. Weir, Farm Bureau Mutual Automobile, Columbus, treated the subject in a formal paper. The discussion which followed showed that companies are deeply concerned about underwriting disabled persons and many of them already have had enough experience with the matter to show how fraught it is with public relations dynamite.

#### Problem Only Beginning

The companies are only beginning to feel the problem; it will become rapidly more acute, and since they cannot apply the same underwriting standards as to regular business, several of those attending the meeting urged strongly that a positive rather than a negative approach be made.

Several methods of treating disabled drivers have been tried by the companies, it was disclosed. One underwriter said that his company does not intend to make a surcharge. Another insurer is applying an extra rate. The management has found that the important thing is to give such drivers insurance. The extra rate is not resented. On the contrary, the drivers are extremely happy about getting coverage. The company pays a reduced commission on such business and agents like the plan, because it provides facilities which would not otherwise be available. In addition, the rating up challenges the impaired driver to keep his operations as safe as possible. The big thing, the underwriter observed, is to get disabled persons insured. A considerable number of these drivers are not being insured, and this holds the threat of compulsory automobile legislation.

#### Commissioners' Resolution

R. C. Mead of State Farm Mutual Automobile, Bloomington, Ill., urged companies to sign the resolution of the National Association of Insurance Commissioners. Under this the insurer adopts "the underwriting principle that automobile liability insurance (should) be made available to physically handicapped individuals on the same basis as such insurance is provided for the public generally, where evidence is available that such handicapped persons can operate an automobile safely, in order that such insurance may be obtained without reference to assigned risk plan on the sole ground of physical disability. . ." The resolution also provides that commissioners cooperate with the insurance industry, state motor vehicle supervisors and rehabilitation authorities in the development of standards of operation and equipment which will enable physically handicapped persons to operate motor vehicles safely.

This year a bill was introduced in the

(CONTINUED ON LAST PAGE)

## Gives Tips on Public Relations to Claim Men

The Employers group has published a 16-page pamphlet, "You Are a Public Relations Man," directed to members of the claim department. The point is made that the claim man produces satisfaction to the interested parties and protects the interests of the company when he engages in good public relations, applies good common sense and good business practices. The suggestion is made that the claim man look at the case as if he were in the claimant's place, trying to understand how the claimant feels, what he expects and why. If the claim man comprehends the claimant's viewpoint the latter will get the feeling that disposition of his case will be just.

The real task of good public relations develops around those cases involving no coverage or no liability. If the claim man succeeds in making a friend in these situations he has done a good public relations job. If, however, the claimant leaves in an unhappy frame of mind it may be due to the fact that the claim has not been given proper attention or that there has been a lack of courtesy and tact.

The claim man should take time to explain a situation fully. Patience will go a long way to promote confidence on the part of the claimant.

Giving service beyond what is called for in the policy may bring good will, prestige and mutual satisfaction. By investigating a claim of no coverage frequently a claim man discovers inadequacies in an insurance program that should be brought to the attention of agents. The claim representative is a salesman, he is a judge, a practical business man, a psychologist and a public relations man.

## Casualty Agents Steering Group to Meet at Chicago

The executive committee of the National Association of Casualty & Surety Agents will meet at the Ambassador East hotel, Chicago, May 7, to discuss rate legislation questions and counter-signature laws and non-resident agents and brokers qualification laws.

## Employers Schools Approved

The Employers group schools have been approved by the Veterans Administration for training returning servicemen. Those who attend the school for agents, general training school, school for payroll auditors, school for engineers, or school for claim investigators are qualified to receive the educational benefits made available by the Veterans Administration.

## Utica Claim Office for Century Ind.

Century Indemnity and Standard Surety & Casualty have opened a branch claim division office at Utica, N. Y. Thomas J. Forsythe, an experienced casualty claim man, has been appointed manager of this new office through which all claims arising in Oneida county and as far east as Little Falls, N. Y., will be handled. Other claim offices servicing the central New York territory are located at Albany, Rochester, Buffalo and Syracuse. The Utica claim office is located at 312 Foster building.

## Supreme Court Refuses to Review

WASHINGTON—The U. S. Supreme Court announced refusal to review No. 1031, Lack vs. Western Loan & Building Association, et al, involving disposition of the proceeds of an earthquake policy on a California hotel, and No. 1064, Wendlinger vs. Hardware Mutual Casualty, involving the question of application of a garage policy to an automobile accident in Virginia.

## How Social Security Affected Private Insurance in Europe

Adoption of social security plans in continental Europe did not have as great an effect as might be expected on commercial personal and group accident insurance, Eric Boehm, group accident and health underwriters of the Loyalty group, told the Accident & Health Underwriters Association of Newark in a review of the operations of such plans and their effect on the private insurance business, based on his own experience in several European countries. He suggested that if the proposed extension of social security is given serious consideration in this country, it should be possible to turn this boomerang into a boom for disability insurance written by private carriers.

He said that the earlier plans most highly developed were in the Scandinavian countries and Switzerland, with a high standard of living and democratic institutions. In many instances prior to the former war, which brought about an almost complete collapse of central European private insurance, these plans were underwritten by private companies. With the establishment of new nations, usually on a democratic basis, they were inclined to look to the existing democracies as a model and the adoption of social security plans was on a political rather than an economic basis.

## Great Difference Pointed Out

He said it is necessary to keep in mind the tremendous difference between American and European continental accident and health insurance. In the first place, the public in this country is much more insurance-minded than in Europe, which means the business itself is far bigger. Just after 1918 there was no private health insurance in central Europe and no monthly premium business whatever. Before the war, the private insurance companies wrote a considerable amount of occupational group business in industries which probably would have been the forerunner of what we call monthly premium business but the social security laws after the war made it unwise to undertake any ventures in this field. Therefore, when the social security laws were enacted it did not affect the monthly premium business, because there was none.

## Occupational Group Dropped

"Our experience with the occupational group coverage in industries became rather unsatisfactory," he said, "because the social security plans included those individuals and it was almost impossible to acquire new business. Many of the policies theretofore written were lapsed and we finally had to stop writing this class of business. The only lines left in the accident and health field were the commercial individual and the commercial group business."

He listed certain reasons why social security did not vitally affect commercial personal and group accident insurance. First of all, the central European insurance companies never participated to any extent in the sickness insurance field. Furthermore, because of the red tape, the limited benefits and the difficulty in securing adequate service along the line of medical treatment, hospitalization or even medicine and prescriptions, which restricted its use quite largely to people in the lower income brackets, people who could afford it still went to their own private doctors and paid for it.

## Middle Class Penalized

Over a period of 15 years disability benefits steadily decreased while waiting periods were lengthened, which proves that the experience must have been unsatisfactory. Only certain classes of the population really benefited by the compulsory accident and sickness plan, while it is true that others in the middle or higher income brackets had to share in

the cost but only seldom made full use of its provisions.

From his own personal experience in Europe, Mr. Boehm drew the conclusion that government administered compulsory disability insurance has served only to a limited extent the cause for which it was intended. "It is my firm belief that if ever a compulsory plan will be adopted in this country, the private insurance companies are by far better equipped to do the job of providing this protection for the people of this country than the government."

## Report on Va. Boiler Study

RICHMOND—The legislative committee making a study of boiler explosions in Virginia will conclude its study at a meeting here on May 9. It is planned to draft a report containing recommendations concerning the enactment of a boiler inspection law which will be submitted to the assembly in 1946 unless a special session is held in the meantime. E. Glenn Jordan, the chairman, is Richmond manager of Commercial Casualty. Mr. Jordan is a member of the Virginia senate. He introduced a resolution calling for the probe.

## Fla. Auto Responsibility Bill

TALLAHASSEE, FLA.—A Florida house bill requires automobile drivers, whose license has been cancelled, to take out liability insurance before licenses can be renewed.

## Hartford S.B. Men to Speak

Several Hartford Steam Boiler men will speak at the May 25 meeting of the Fort Wayne (Ind.) Engineers Club. Power plant engineers from throughout northeastern Indiana will be present.

## Mo. Agents Back Responsibility Bill

JEFFERSON CITY, MO.—The automobile financial responsibility measure introduced in the Missouri house will have the active support of organized insurance agents of Kansas City, St. Louis and elsewhere in Missouri.

## Coal Operators Casualty Observes 10th Anniversary



President W. John Stiteler cutting Coal Operators Casualty's 10th birthday cake.

PITTSBURGH—Col. W. John Stiteler, Jr., president and founder of Coal Operators Casualty, was honored at a dinner given by the employees commemorating the company's 10th anniversary. In acknowledging the tribute to his leadership, Col. Stiteler recognized those individuals who had contributed to the company's progress. Wilson G. Saul, Jr., Lexington, Kentucky manager, on behalf of the employees presented Col. Stiteler a traveling case.

Each employee and their guests were presented a favor with appropriate comment by Leo L. Coyle, chief underwriter, assisted by Ronald A. Wentzel, assistant statistician.

## Apologies Are Extended to Lt. Comm. Procopio

THE NATIONAL UNDERWRITER herewith offers apologies to Lt. Comm. S. F. Procopio for a serious injustice that was done in the article in the April 12 edition reporting a House committee hearing on the insurance of the Consolidated-Vultee plant in Louisiana. Lt. Comm. Procopio is chief, insurance division of the Navy Department's office of procurement and personnel. It was incorrectly stated in that article that Lt. Comm. Procopio had suggested that one of the witnesses not testify. The hearing continued throughout the day and THE NATIONAL UNDERWRITER representative was in and out of the room on several occasions. Upon his return after a



S. F. PROCOPIO

period of absence he was told by another newsmen of what had taken place in the interim. In that exchange there was a misunderstanding that eventuated in this unfortunate reference to Lt. Comm. Procopio. The latter writes:

"This division has reviewed with a great deal of interest your recent articles on the investigation by a sub-committee of House of Representatives naval affairs committee of the policies and procedures employed by the Navy Department in approving insurance carried by cost and cost-plus-fixed-fee contractors. There are a great many misstatements and errors in your recital of statements that were supposedly made at the first hearing by witnesses. With such inaccuracies this division does not propose to take issue because the record will speak for itself.

"However, in the article appearing in the April 12 issue a statement is made which is not only incorrect but entirely misleading. This statement reads as follows:

"Mr. Wood said Lt. Comm. Procopio had indicated the Navy would give his companies a chance and suggested that Mr. Wood should not testify at the hearing."

"This statement is entirely incorrect. Not only did Mr. Wood not make the statement that is ascribed to him but at no time either prior or during the hearing was any suggestion made to him by the writer that he should not testify at the hearing.

"While the record will speak for itself in this and other instances of misstatement, this division wishes to call to your personal attention the one instance cited in this letter which can give rise to serious consequences."

C. A. Barkie, assistant U. S. manager of Accident & Casualty, is visiting the Chicago office this week.

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# Casualty Net Premiums and Paid Losses in WISCONSIN in 1944

	Premia	Total Losses	Auto. Liab. Losses	Other Liab. Losses	Work. Comp. Losses	Fidelity-Surety Losses	Plate Glass Losses	Burglary-Theft Losses	Prop. D. & Coll. Losses
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accident & Cas.	50,319	19,114	19,566	5,064	4,302	2,017	9,635	2,645	1,387
Aetna Cas.	690,998	185,545	130,247	30,237	105,071	28,975	269,130	103,665	69,775
Allstate	120,161	43,851	37,208	35,709	.....	.....	.....	.....	.....
American Auto.	717,825	197,335	359,062	103,048	74,689	1,747	94,575	17,224	6,440
American Cas.	12,459	472	4,684	1,385	.....	1,567	97	88	.....
American Employ.	163,204	83,560	50,480	33,142	32,860	12,692	24,705	21,310	8,188
Amer. Fid. & Cas.	35,239	14,660	27,709	9,664	.....	.....	.....	.....	.....
Amer. Guar. & Liab.	8,606	1,914	1,726	.....	.....	.....	.....	.....	.....
Amer. Indemnity	135,502	51,727	61,538	20,987	4,522	1,327	.....	.....	.....
Amer. Motorists	90,766	44,195	6,029	5,584	8,073	1,059	44,526	28,675	8,103
Amer. Mut. Liab.	576,493	299,363	38,782	24,406	12,942	49	481,404	263,020	8,336
Amer. Reinsurance	25,768	.....	2,925	.....	.....	.....	.....	.....	.....
American Surety	164,986	21,136	21,547	4,214	10,884	6,582	.....	.....	.....
Associated Indem.	124	.....	26	.....	70	.....	78	.....	.....
Badger State Cas.	52,191	17,055	25,801	11,364	.....	.....	.....	.....	.....
Bankers Indem.	46,683	12,830	6,934	958	6,021	449	24,275	9,600	.....
Bituminous Cas.	199,504	80,329	.....	.....	11,166	799	186,650	79,133	.....
Car. & General	103,180	51,752	46,159	31,451	9,157	249	17,750	8,408	748
Cas. Recip. Exch.	74,574	41,665	50,336	24,292	492	.....	5,044	3,233	.....
Celina Mut. Cas.	94,482	25,358	52,199	10,782	151	.....	.....	.....	.....
Central Surety	29,955	19,791	11,041	10,675	2,891	2,019	3,710	3,826	1,552
Century Indem.	70,283	17,413	8,608	3,427	10,515	3,242	28,279	6,826	1,679
Chesapeake M. Cas.	33,266	10,131	18,277	4,278	549	.....	.....	.....	.....
Chicago Ice Prod.	711	1,820	.....	.....	14	.....	552	1,820	.....
Columbia Cas.	23,772	3,414	1,655	309	1,939	.....	8,500	1,098	.....
Commercial Cas.	85,274	31,561	28,774	21,463	5,929	1,630	.....	.....	.....
Conn. Indem.	49,709	12,355	27,399	5,441	5,510	400	.....	.....	.....
Continental Cas.	1,377,683	494,328	340,865	124,440	125,127	23,129	310,970	121,351	40,247
Coop. Ins. Mut.	229,626	64,372	117,235	28,130	.....	.....	.....	.....	.....
Eagle Indem.	82,679	19,245	21,169	2,777	13,809	1,414	21,856	6,909	3,465
Employers Liab.	486,294	145,406	87,654	28,411	79,092	8,128	170,649	80,048	10,430
Employers Mut. Liab.	8,615,675	3,706,117	372,493	129,403	407,871	66,160	7,480,542	3,340,266	207
Employers Reins.	277,447	116,543	105,230	101,269	10,644	2,000	16,471	3,084	10,554
Factory Mut. Liab.	6,492	1,034	3,477	5	59	4	.....	.....	.....
Farm Bur. M. Wis.	121,670	28,980	56,842	3,396	.....	.....	.....	.....	.....
Farm. M. Auto. Wis.	1,487,761	489,697	812,323	208,234	117	.....	.....	.....	.....
Fidelity & Cas.	702,137	194,814	137,628	38,885	7,960	10,861	67,244	2,706	62,084
Fidelity & Deposit	258,264	.....	.....	1,068	25	.....	239,271	10,421	.....
Fireman's Fund Ind.	105,400	45,120	19,750	12,869	29,128	13,100	32,374	14,952	3,829
General Accident	385,148	130,444	122,347	41,499	39,622	3,114	133,648	60,292	.....
Gen. Cas., Wis.	946,624	307,184	476,287	147,714	19,963	757	.....	.....	.....
Gen. Cas., Wash.	130,833	33,194	59,833	16,491	21,431	5,227	.....	.....	.....
General Reinsur.	135,485	20,733	26,417	13,583	7,240	.....	9,760	8,856	41,308
Glens Falls Indem.	156,223	48,833	36,984	16,571	24,060	883	40,172	22,760	13,114
Globe Indem.	123,974	48,358	32,521	17,085	11,793	3,020	33,212	11,982	10,697
Great Amer. Indem.	167,081	40,754	44,533	6,710	25,091	1,314	58,180	21,182	6,487
Hardware Mut. Cas.	2,261,590	727,213	563,843	120,593	126,556	6,897	1,091,236	439,742	.....
Hartford Acci.	1,194,190	498,414	242,845	94,073	111,943	16,810	544,822	298,436	73,521
Home Indem.	3,135	156	186	.....	679	.....	.....	.....	438
Home Mut. Cas.	232,645	105,481	145,693	64,325	.....	.....	.....	.....	.....
Indem. of N. A.	40,772	11,629	3,369	3,560	.....	.....	.....	.....	.....
Iowa Mut. Liab.	11,906	10,573	2,797	2,900	443	.....	.....	.....	.....
Liberty Mutual	734,008	420,872	32,622	17,102	27,392	43,016	640,248	339,789	12,743
London & Lanc.	255,387	73,895	70,832	18,786	35,947	11,529	55,332	22,395	18,005
London Guar.	210,338	63,187	30,761	3,473	25,653	898	103,476	46,258	.....
Lumber Mut. Cas.	590,546	191,546	115,960	36,352	66,902	6,850	272,923	123,216	7,239
Maryland Cas.	656,891	240,557	61,579	17,047	47,413	7,263	310,635	191,861	64,637
Mass. Bonding	161,576	35,953	15,858	8,847	22,654	3,135	58,066	29,949	24,228
Master Plumb., Wis.	19,729	5,038	.....	.....	.....	.....	5,038	.....	.....
Medical Protect.	28,134	14,144	.....	28,134	14,144	.....	.....	.....	.....
Merchants Indem.	3,944	277	3,484	277	.....	.....	.....	.....	.....
Metropolitan Cas.	102,888	31,923	44,457	16,796	17,831	1,122	.....	.....	.....
Mich. Mut. Liab.	988	.....	.....	.....	.....	.....	.....	.....	.....
Milwaukee Auto.	757,424	283,350	457,217	160,499	9,025	177	.....	.....	.....
Minn. Farm. M. Cas.	33,546	17,028	15,307	8,729	.....	.....	.....	.....	.....
Mut. Auto., Herman	161,791	71,771	90,214	46,695	.....	.....	.....	.....	.....
Mutual Indem., Wis.	13,334	1,153	.....	.....	.....	.....	.....	.....	.....
National Casualty	278,863	106,401	10,973	6,794	9,506	2,079	33,843	13,386	1,702
Natl. Gr. Mut. Liab.	8,221	1,300	4,514	515	286	24	.....	.....	.....
National Surety	230,591	7,536	.....	.....	.....	.....	133,174	2,961	3,088
New Amsterdam	221,729	69,254	54,340	7,110	28,245	6,932	81,881	46,354	21,142
New York Cas.	12,987	5,655	5,035	2,302	7	8,106	3,205	6,014	3,697
Northwest Natl. Cas.	504,689	140,671	295,027	76,629	8,232	31	.....	.....	.....
Norwich N. Indem.	10,644	8,419	5,416	6,792	941	418	.....	.....	.....
Ocean Accident	75,444	16,315	6,039	263	9,268	894	16,395	8,571	3,352
Ohio Casualty	340,072	85,163	146,144	42,453	17,249	1,048	6,649	15,290	.....
Phoenix Indem.	88,315	24,107	25,856	7,487	11,064	126	20,607	7,944	.....
Preferred Accident	226,040	121,297	119,079	34,412	10,965	1,252	10,517	1,804	1,423
Royal Indemnity	119,447	34,195	21,204	7,370	15,297	3,013	40,329	14,243	10,135
St. Paul-Merc. Ind.	344,095	89,830	73,694	25,698	57,097	9,676	71,976	27,276	82,376
Seaboard Surety	73,182	13,343	.....	.....	.....	.....	.....	.....	.....
Security Mut. Cas.	107,619	40,430	7,594	2,588	5,420	1,015	91,216	36,311	111
Shelby Mut. Cas.	48,467	5,431	.....	.....	11,692	1,225	23,672	.....	.....
Standard Acci.	341,420	118,738	41,443	14,658	27,083	3,293	160,729	69,754	25,509
Standard Sur. & Cas.	23,676	22,436	9,369	8,187	1,789	1,869	6,634	5,173	397
State Farm Mut.	1,107,574	480,706	561,362	186,456	.....	.....	.....	.....	.....
Sun Indemnity	102,448	36,965	15,608	7,186	10,049	4,137	60,295	19,124	1,626
Travelers	1,061,894	725,765	6,061	9,464	24,303	13,807	217,695	132,109	29,699
Travelers Indem.	777,173	332,038	185,852	85,687	100,348	11,639	305,266	146,168	1,076
United Nat'l Ind.	9,340	20	6,377	45	.....	.....	.....	.....	.....
U. S. Casualty	22,469	6,956	4,646	1,712	2,241	20	10,381	3,439	794
U. S. F. & G.	702,831	157,898	107,798	56,023	99,676	16,987	149,738	64,970	218,338
U. S. Guarantee	60,218	6,460	25,083	2,474	3,483	313	.....	.....	19,145
Utica Mut.	311	.....	205	.....	11	.....	8	.....	.....

(CONTINUED ON PAGE 24)

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## Await Change in Ill. Dramshop Cover

The bill to require all dramshop liability policies issued in Illinois to cover liability for sale of liquor to minors having passed the senate and making progress in the house, it is regarded as fairly certain that it will be enacted. Heretofore attorneys for Lloyd's and other insurers offering this coverage have taken the position that policies insuring the saloonkeeper could not insure the consequences of the sale or giving away of liquor to minors because that would constitute insuring an illegal act. However, if a law is passed requiring such coverage to be granted the insurers will not hesitate to do so. The policies insuring the building owner have provided such coverage but not the saloonkeeper's policy.

Perhaps such an increase in coverage will necessitate a rate increase. There has been some discussion on the part of Lloyd's representatives of revising the rate card. The rates are governed by the average daily receipts of the saloon, the minimum rate being \$64 for limits of \$5,000/10,000 B. I. and \$2,500 P. D. and \$2,500 loss of means of support. In view of the fact that the saloons have increased the prices of drinks the receipts have been increasing without corresponding increase in exposure. Hence at renewal a good many of the saloonkeepers have been understating their receipts, reporting them as what they were in previous years and a good many of the underwriters, it is understood, have been overlooking these inaccuracies except where they are conspicuously out of line. Adjustment of the rate basis to avoid use of fictitious figures was urged.

Considerable interest is around in the decision of Circuit Judge Dusher at Waukegan, Ill., the other day giving five verdicts totaling \$35,100 under the dramshop act. The verdicts were against the operators of a saloon west of Waukegan and were in favor of five persons two of whom were killed and three injured when the automobile in which they were riding was struck by a man who had been drinking at the Waukegan saloon.

## Murphy Representative at World Security Conference

Edward N. Scheiberling, national commander of the American Legion, has asked Ray Murphy, general counsel of the Association of Casualty & Surety Executives, to assist him in officially representing the Legion at the world security conference in San Francisco. Mr. Murphy, a past national commander of the Legion and one of its outstanding authorities on world affairs, will go to the San Francisco conference May 9, the day following the association's annual meeting.

Mr. Scheiberling is in San Francisco as the Legion's representative at the personal request of Secretary of State Stettinius and at a conference last Friday with President Truman pledged the organization's full cooperation to make the conference a success.

Mr. Scheiberling has authorized Mr. Murphy to make recommendations for additional representatives of the Legion if he feels they are needed to advise with the American delegation. Mr. Murphy is chairman of the foreign affairs subcommittee of the Legion's commission on postwar America and for a number of years has been chairman of the foreign affairs committee at the organization's national conventions, a capacity in which he took a leading part in framing and having adopted the Legion's firm program for international cooperation as a safeguard against future wars.

## Nine New Second Injury Fund Laws

WASHINGTON—Post-war job opportunities for disabled veterans and war workers are enhanced by enactment in nine state legislatures so far this year of second-injury-fund bills, the secretary of labor reports. These developments bring to 28 the number of states that have such provisions, besides the District of Columbia and Hawaii. The longshoremen's act provides similar protection for longshoremen, it is stated.

The legislatures in Arizona, Colorado, Iowa, Kansas, Maryland, Oregon, Tennessee, Washington and Wyoming are the ones that passed such laws.

### Measures Pending

Similar measures are pending in California, Connecticut and Pennsylvania legislatures now meeting and it is to be hoped they will also follow the recommendations of experienced state labor administrators and trade union officials who know the value of such funds.

The department stated that in general these laws require employers to pay compensation only for specific second injuries. The fund pays the additional costs of permanent total disability resulting from the loss of a hand, arm, foot, leg or eye, following a previous loss of one of these members or organs. The fund is usually financed by payments of fixed amounts by an employer or his insurer in the case of death of an employee having no dependents. "Freed from the fear of heavy permanent total disability charges in these cases, employers are much more willing to employ handicapped workers," the department states.

"The cost of maintaining second injury funds is small, for recent studies show handicapped workers are actually more careful than normal employees and have a lower accident frequency."

States that established second injury funds before 1945 include: Arkansas, Idaho, Illinois, Maine, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, Oklahoma, Rhode Island, South Carolina, Utah, Wisconsin, North Dakota, Ohio, and West Virginia, the labor department stated.

## Fla. Casualty Premiums \$17,825,847

Casualty company premiums in Florida last year totaled \$17,825,847 and losses were \$6,901,615, according to an abstract published by the Florida department. The leaders were: U. S. F. & G., \$1,215,284; Hartford Accident, \$1,191,621; Fidelity & Casualty, \$1,016,673.

This exhibit does not include the casualty premiums of life companies.

## Texas Rate Bill Progresses

The Texas house amended and returned to the senate two bills permitting the insurance commissioners to license agencies for the making of rates for casualty, surety, inland marine and miscellaneous lines.

The Texas legislature has passed the senate bill removing health and accident insurance companies from the law limiting exclusions which life insurance companies may make.

S. Royce Braman, assistant auditor of Aetna Life, has completed 45 years with the organization. A native of New London, he joined Aetna Life on the auditing department in 1900. He was elected an assistant auditor in 1919. He is a deacon of the First Congregational Church of Windsor and is secretary of Company D, 1st Infantry, Connecticut State Guard Veterans Association.

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## ACCIDENT

### Conn. State Health Cover Bill Gets Favorable Report

HARTFORD—The Connecticut senate's insurance committee has voted a favorable report on a bill setting up a statewide system of health insurance for persons employed in business and industry. The bill, supported by organized labor at a recent hearing and attacked by physicians generally as introducing socialized medicine, provides medical care and treatment, including pre-natal and maternity care, for all employees covered by the system. Premiums, amounting to 1% of the payroll, would be paid by employers and would be matched by an equal amount from the state.

### Launch Ia. Medical Service; Dr. M. I. Olsen President

DES MOINES—Iowa Medical Service, a non-profit corporation sponsored by the state medical society, has been formed to offer medical and surgical coverage. President of the new organization is Dr. Martin I. Olsen, vice-president and medical director of Central Life of Des Moines. W. F. Poorman, actuary of that company, is secretary; Dr. R. D. Bernard, Clarion, vice-president, and T. P. Sharpnack, Des Moines, treasurer.

The program is patterned after the Michigan plan. The Iowa legislature recently passed a bill permitting formation of medical corporations on the same basis as the already established hospital associations.

### Blue Cross Handles Solicitation

Plans call for extending coverage to about 50,000 persons the first year, with the Blue Cross groups handling the solicitations. Only groups of 50 or more will be accepted at first but later it is planned to extend the program to farmers.

The medical program will cost \$3.25 a month per family and surgical alone \$2.50, with rates of \$1 to \$1.25 per individual for surgical and medical.

The physician handling the case will be paid by Iowa Medical Service but may make additional charges where a person's income is more than \$1,500 a year if single or \$2,500 a year if married. Medical service payments do not begin until after the third day as a bed patient in a hospital. For the first nine months it will not cover maternity.

X-ray payments are limited to \$15 for any one illness or accident and \$10 for anesthesia. The contract does not cover dental or nursing service, injuries covered by workmen's compensation, plastic operations for cosmetic purposes, radium treatment, therapeutic x-ray, oxygen tent or payment for surgical assistants.

### Twin City Accident-Health Sales Congress May 12

MINNEAPOLIS—Clarence A. Sholl, president of the National Association of Accident & Health Underwriters, and Harold R. Gordon, managing director Health & Accident Underwriters Conference, will be among the speakers at the second annual accident and health sales congress sponsored by the Twin City Accident & Health Club. The congress will be held here May 12. Harvey E. Thompson, Washington National, president of the Twin City club, will preside.

The program includes: "History of Accident & Health Insurance," Paul

Clement, secretary Minnesota Commercial Men's; "Insurance and Legislation in Minnesota," H. P. Skoglund, president North American Life & Casualty; "Things to Come," Mr. Gordon; "Personal Security for the Agent and His Family Through Accident and Health and Life Sales," Marion F. Houston, general agent Washington National, Kansas City.

Mr. Sholl will be the luncheon speaker on "Why a National Association."

There will be a round table discussion of accident and health problems by Archie A. Altermatt, Monarch Life, chairman; Bert Odell, North American

Life & Casualty; V. E. McCollum, Massachusetts Protective; James A. Robb, Mutual Benefit Health & Accident; Adam Brown, Great Northern Life; Martin Imm, St. Paul Hospital & Life; A. Herbert Nelson, Business Men's Assurance; Larry Linder, Washington National, and Ed LeClair, North American Life & Casualty.

C. J. Eliason, Monarch Life, is general chairman.

### Sturtevant to Union Mutual

Jack S. Sturtevant, former Cleveland accident and health manager of Conti-

mental Casualty, has become manager of the accident and health department of Union Mutual Life in Cleveland.

### Rymph Joins Columbian Natl.; Coffman to L. A.

Levi B. Rymph, assistant general agent of Aetna Life in Wichita, Kan., who is president of the Wichita Association of Accident & Health Underwriters, has been named general agent there of Columbian National Life. He succeeds Robert F. Coffman, immediate past president of the Wichita associa-

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tion, who has been transferred by his company to Los Angeles as general agent for southern California, effective June 15.

### Conference Meeting Postponed

The annual meeting of the Health & Accident Underwriters Conference, scheduled to be held at the Edgewater Beach Hotel in Chicago June 5-8, has been indefinitely postponed by the executive committee. It will be held some time in the fall on an abbreviated basis if present travel restrictions are still in effect.

### Hoodoo Day Casualty

W. H. Moore of the Central Kansas Adjustment of Wichita, former executive secretary of the National Association Independent Adjusters, waited exactly six years to cash in on his accident policy which he bought on Hoodoo Day in 1939. While adjusting a loss on Friday, April 13, he slipped on a narrow stairway, badly bruising an arm which he carried in a sling for several days.

### Wis. Medical Plans Explained

WAUSAU, WIS.—C. H. Crownhart, Madison, executive secretary of the Wisconsin State Medical Society, addressed the Marathon County Medical Society on pre-paid medical insurance and urged support of the state organization's bill now before the legislature. He said that the Milwaukee county group had established an insurance plan of its own and that the state society wants to provide a similar plan for the rest of the state. The Milwaukee society has protested against the state group's plan, which would amend the law to put prepaid medical plans under control of the insurance department. The existing law permits county medical societies to set up prepaid surgical care plans without reference to their being insurance, and

the attorney-general has held they are not insurance.

### Agent's Responsibility Stressed

O. D. Harland, Security Life & Accident, spoke to the San Antonio Association of Accident & Health Underwriters, on the responsibilities of the agent. The insurance man, he said, is really a steward of the welfare of those who need his service. That he may discharge this duty, he said, the agent must plan his work so that he may use his time most effectively.

I. Jervis, Inter-State Business Men's Accident, Des Moines, spoke briefly, outlining the progress that has been made by the National Association of Accident & Health Underwriters.

### Quaintance Behind New Company

Fidelity National, which has been organized at Denver as a capital stock company, writing life, accident and health on a legal reserve basis, proposes to absorb Fidelity Protective Mutual, the accident and health company of Denver. A. M. Quaintance is president of Fidelity Protective Mutual. He is also the main factor in National Industrial of Topeka, writing life and accident and health. In 1943 Fidelity Protective had premiums \$72,749, losses \$13,510, expenses \$42,151, assets \$51,203, surplus \$19,945.

### Defeat Mich. Hospital Bill

LANSING, MICH.—The house has defeated the bill requiring non-profit hospital services pay the same hospital rates as those charged the general public.

### R. M. Jones Named in Arizona

Commercial Travelers of Salt Lake City has appointed Ralph M. Jones general agent for Arizona with headquarters at Phoenix. Mr. Jones has been a leading producer in Salt Lake City.

Commercial Travelers operates in Utah, Nevada and Arizona and has applied for an Idaho license.

### Clapper's Widow Sues for D. I.

WASHINGTON—Aetna Life has been sued in federal court here by Mrs. Olive Clapper, widow of Raymond Clapper, war correspondent, for \$5,000 on a policy with double indemnity clause on his life. Mrs. Clapper has already received \$5,000.

Mr. Clapper was killed in a plane crash in the Marshall Islands. Mrs. Clapper says his death resulted from an accident and that she is entitled to another \$5,000.

### Philpott Is Dallas Speaker

Frank R. Philpott, St. Louis, leading producer of Columbian National Life, addressed the Dallas Association of Accident & Health Underwriters, giving his series of visual sales demonstrations that made such a big hit at the St. Louis convention of the National association.

R. B. Smith, Great Northern Life, Oklahoma City, member of the national executive board and chairman of the Leading Producers Round Table, was a guest.

## CHANGES IN CASUALTY FIELD

### Blum United Pacific V.-P.; to Head New Kansas City Office

United Pacific will open a new surety office in Kansas City about May 1. Ralph L. Blum, formerly vice-president of Western Casualty & Surety, has been elected vice-president of United Pacific in charge of the new office, which will have jurisdiction over Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee and Texas.

### Extensive Experience

Mr. Blum, a native of Chicago, started with the old Chicago Bonding and later was with Moore, Case, Lyman & Hubbard, Federal Surety, Southern Surety. For the past 15 years he has been with Western Casualty & Surety, seven years as vice-president. He has been a director of Western Insurance Securities Company, holding company of Western Casualty.

### McDonnell Named Dearborn National Agency Secretary

Courtney W. McDonnell has been advanced to agency secretary of Dearborn National and Dearborn National Casualty at the head office. He has been with these companies since 1940 in various executive capacities.

Paul L. Crimans has been appointed resident vice-president of the Broderick Corp., affiliated with Dearborn National, at Indianapolis with offices in the Illinois building. He takes the place of Burnett E. Andrews, who is being shifted to another position.

Mr. Crimans has been in the insurance business 20 years, his first company connection having been with Aetna Casualty at Indianapolis. Since then he has had field experience with other companies as well as claim manager. Prior to making a company connection he operated a local agency. The early part of this month, after several days at the Broderick office at Detroit, he has accompanied Mr. McDonnell in visiting agencies in Indiana.

### Indemnity of N. A. Shifts Several Claim Men

Indemnity of North America has transferred R. B. Schuenemann, superintendent of the Baltimore claim division, to the Hartford claim division as superintendent.

He will be succeeded in Baltimore by C. E. Bleil, who is being transferred from Indianapolis. Robert A. Hedberg, resident adjuster at Kalamazoo, Mich., will succeed Mr. Bleil as superintendent at Indianapolis.

### Royal Ind. to Open Milwaukee Branch

NEW YORK—Royal Indemnity will shortly open a branch office in Milwaukee in charge of E. A. O'Neill, who has been assistant production manager at the home office since March 1, 1943. He has been with Royal Indemnity since 1941 and before that was with Eagle Indemnity, also a member of the Royal-Liverpool group. He is a son of F. J. ("Buck") O'Neill, retired president of Royal and Eagle.

No date has been set for the opening of the new office but it will probably be within the next 30 to 60 days.

Mrs. Hilda Rogers, for the past 13 years an underwriter in the Dick & Reuteman agency, Milwaukee, has resigned to become associated with the Royal Indemnity branch. Mrs. Rogers is president of the Insurance Women of Milwaukee. She has been secretary of the Wisconsin Association of Insurance Agents since January, 1942, but is resigning this office because of her change of positions. Before going into local agency work, she was in the office of Fred W. Weineck, state agent for Pearl, and previously was with the Fish & Schulkamp agency at Madison, Wis.

### E. E. Dantonet Joins Naghten Agency, Chicago

E. E. Dantonet, who has been in the surety business since 1921, and who for the past seven years has been head of the bond department of Starkweather & Shepley at Chicago, is joining the John A. Naghten & Co. agency of Chicago as special representative. He is particularly well known in surety circles in Chicago. His work with the Naghten office will be of a general nature and will not be confined to the surety lines.

Mr. Dantonet, a native of New Orleans, before the last war was engaged in the lumber business and then was with the wood ship division of Emergency Fleet Corporation for a time. He served in the navy in the last war and then after a short period again in the lumber business he went with National Surety at New Orleans as a member of its specialty selling organization. He traveled in various parts of the country and in 1925 settled in Chicago with National Surety. He left in 1934 to go with Starkweather & Shepley.

### Dardne S.W. Claim Chief

R. G. Waters, resident manager of Pacific Employers' southwestern office at Houston, has announced the appointment of E. F. Dardne as claims superintendent of the southwestern division. Mr. Dardne is an experienced claim man and has been with Pacific Employers 18 months. He was formerly manager in Fort Worth. The southwestern division includes Texas, Okla-

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... for Inland Marine audits and inspections, bond and burglary loss audits and hospital malpractice surveys. We protect our clients from every possible insurance and tax contingency. "Bargain" rates for such services may imply a lack of quality.

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homa, Louisiana, Kansas and parts of Arkansas.

### Quirk with National Surety

William J. Quirk has joined the Philadelphia office of National Surety where he will specialize in production work in the city and outlying districts. He will devote much of his time to casualty lines. He was with Century Indemnity for many years and was vice-president of Penn Mutual Indemnity for about a year.

### Hupp Assistant Manager

CINCINNATI—H. B. Hupp has been advanced from superintendent of the casualty department to assistant manager of U. S. F. & G. here. He has been with the company 20 years and is a son of the former manager, the late H. B. Hupp, Sr.

Mr. Hupp attended Miami University and University of Cincinnati before joining U. S. F. & G.

### May Heads Chicago Unit

John H. May has been appointed manager of the Chicago downtown automobile department of Lumbermen's Mutual Casualty. Mr. May, whose office is in the Merchandise Mart, has been in the business 20 years and first became associated with the Kemper companies in 1935.

## COMPENSATION

### Mich. Benefit Liberalization Bill Passes House

LANSING, MICH.—The Michigan senate labor committee has received from the house the bill which would extend compensation benefits for most specific injuries such as loss of members, eyesight or hearing. The bill, a drastically amended version of the original draft which embodied C.I.O. recommendations, passed the lower house with only three votes to spare.

Proposed amendments would also set up a panel of physicians from whom employees might choose, and would require employers to furnish medical, surgical or hospital care over any period required to effect a cure rather than the present one year maximum.

### Six-Employee Bill Loses

Efforts to lower the inclusion limit from employers of eight or more to six or more, lost out in the house but a separate six-employee bill has passed the senate but has not emerged from the house labor committee.

The senate was the scene of some warm debate over another measure raising the ceiling on silicosis benefits from \$4,000 to \$6,000. Sen. Harry F. Hittle, Lansing, who has sponsored most of the measures liberalizing the compensation act over the past decade, urged his colleagues to be careful about approving further liberalizations because of the adverse effect on compensation insurance rates which, he pointed out, have become excessively burdensome in some categories. Sen. Stanley Nowak, Detroit, countered by asking an investigation of compensation rates, asserting that such experience indicated "there is something wrong" with the compensa-

tion insurance situation which should be corrected.

### Ark. Reduces Rates 4.7%

LITTLE ROCK—Commissioner McKenzie has approved a reduction in Arkansas workmen's compensation rates on policies effective June 1, 1945. The revision represents an average reduction of 4.7% from present rates and equals about \$200,000 in premiums annually. In a very few industries there are slight rate increases.

### Retrospective Rating in Minn.

MINNEAPOLIS—The annual report of James F. Reynolds, general manager Minnesota compensation rating bureau, at its annual meeting, reported 435 risks written under retrospective rating from July 1, 1939, to Dec. 31, 1943; risks reported, 352; ratio of retrospective to standard premium, 85.7.

The report states that the pool plan of assigning risks to the four servicing companies has continued in a satisfactory manner. The number of companies affiliated with the bureau now stands at 79, an increase of three for the year.

## PERSONALS

J. W. Scherr, Jr., assistant secretary of Inter-Ocean Casualty, suffered a broken toe in an accident at his home.

Robert E. Carter, resident vice-president of Fidelity & Deposit in Dallas, has been in Los Angeles on a combined business and pleasure trip.

James A. Smith, superintendent of the bond department of Indemnity of North America in the Pacific Coast department, is visiting the home office. He will also visit New York and Chicago before returning to the coast headquarters next month.

Roy Tuchbreiter, president of Continental Casualty and Continental Assurance, has been appointed chairman of the Illinois state pension fund. He succeeds the late H. A. Behrens, who was head of the Continental organization.

Edwin F. Deicke, president of Suburban Casualty of Wheaton, Ill., who pursues the hobby of raising in a scientific way what are generally known as guinea pigs but which are referred to in the inner circles as covies, has brought out a revised edition of his book, "Covies for Pleasure and Profit." The first edition of this book was published in 1917 and it is the Bible of covie breeders. Mr. Deicke is a charter member of the American Covies Breeders Association. He has a farm near Lombard, Ill., and operates his acres scientifically.

## DEATHS

John F. Collins, 75, who with his son, Clarence L. Collins, represented Provident Life & Accident in Fond du Lac, Wis., for a number of years, died suddenly at his home.

Ernest L. Chalifoux, superintendent of accounts in Aetna Casualty's Newark office, died at his home in Caldwell, N. J. He joined the company in 1918 and had served as cashier or superintendent of accounts at New Orleans and St. Louis. For a time he was a member of the home office agency department.

### Insurance Auditors' Contest

The southern California chapter of the California Insurance Auditors Association is offering \$100 in war bonds for the three best articles on "The Insurance Auditor's Responsibility." The contest will close Sept. 15. All members of the San Francisco and Los Angeles chapters are eligible to compete.

Prominent insurance men will act as judges and the winners will be announced and prizes presented at the annual Christmas party Dec. 12. This contest is endorsed by the companies.

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## Aggressive Selling Assistance

A multiple-line stock casualty company which offers financial strength—prompt claim service—up-to-the-minute sales and advertising aids—standard policies. It will pay you to investigate The Buckeye Union, an aggressive company for aggressive agents. Writing Automobile, Plate Glass, Burglary and Public Liability.

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The  
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"WHAT  
A  
MISTAKE  
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MADE!"

## BIG DAMAGE SUIT PENDING— NO DRAM SHOP LIABILITY INSURANCE POLICY

The building may be sold by court order to satisfy a judgment. Yes—it is a big mistake for the owner of a building in which there is a tavern, restaurant or club serving intoxicating beverages, to be without Dram Shop Liability Insurance.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Fire Companies' Ia. Premiums Increase \$2 Million in '44

DES MOINES—Premiums of fire companies in Iowa increased nearly \$2 million in 1944, while losses paid increased \$1,200,000.

Total net premiums of all fire companies, stock and mutual, were \$20,843,969, compared with \$18,878,523 for 1943, an increase of \$1,965,446. Losses paid totaled \$10,235,275, compared to \$9,015,858. These figures do not include reciprocals or county mutuals.

Net assessments by county mutuals totaled \$3,043,360, against \$2,898,224 in 1943, and net losses paid were \$2,052,293 compared with \$2,017,752.

Hartford Fire again topped the stock companies. It was the only company to top the \$1 million mark. State Farm Fire which was not among the top 20 stock companies in 1943, made the most noticeable change, ranking fifth for 1944. Leading stock companies were:

	Net Premiums	Net Losses Incurred
Hartford .....	\$1,071,381	\$ 566,285
Home .....	806,569	383,897
Aetna Fire .....	515,971	395,046
Continental .....	498,883	265,741
State Farm .....	483,294	483,592
Springfield F. & M. ....	434,940	272,618
North America .....	415,065	239,897
National, Conn. ....	411,295	197,533
Fireman's Fund .....	394,054	151,841
Travelers Fire .....	346,418	198,954
Great American .....	322,670	206,696
St. Paul F. & M. ....	270,212	131,702
Phoenix, Conn. ....	263,068	113,079
American .....	229,786	104,054
National American .....	227,955	68,280
Automobile .....	220,940	102,495

(Net losses paid used for total business and net losses incurred for individual company figures.)

### New Setup of Jacobs Agency

JANESVILLE, WIS.—Robert Jacobs, new manager of the George A. Jacobs agency, has announced that the agency will continue under the present name. Its founder, George A. Jacobs, died March 26. E. P. Hocking, for 27 years with the agency, and Baird Detweiler, for eight years, will continue as salesmen and adjusters. Robert Jacobs is president of Dairyman's Mutual, of which his father was secretary, and secretary of Citizens Mutual, of which the late George Jacobs was president. Mr. Detweiler is special agent for both mutuals, and Mr. Hocking vice-president of Citizens Mutual.

### Minn. Legislature Adjourns

ST. PAUL—The Minnesota legislature has adjourned after enacting only two major insurance bills—a drivers' financial responsibility law and the agents' qualification law. Several compensation measures were passed, including the one sponsored by the Insurance Buyers Association of Minnesota which permits coverage of minors illegally employed in hazardous occupations.

The great majority of insurance bills, numbering into the hundreds, either were killed or lost in the last minute pile-up, including the fire and casualty rating bills backed by the insurance department.

### No Action on Ohio Tax Bill

COLUMBUS, O.—No further action has been taken on Ohio's 2 1/4% tax equalization bill. The house committee, headed by Representative Assmann of Cincinnati, an insurance man, has adjourned subject to the call of the chairman. The fire rating bill has been sent to the house insurance committee by

the reference committee. A substitute bill, which is said to have the support of various insurance organizations, will be offered. There has been much opposition to the premium tax bill on the part of domestic companies. The senate committee also took up the measure.

The Ohio house passed a bill providing that insurance on county automobiles be paid out of the county road fund.

The senate insurance committee heard arguments on bills giving immunity to officers and directors of domestic companies in regard to premium tax payments and simplifying reports of foreign companies. The house insurance committee took up a bill to permit mutual protective associations to build up a surplus.

### Insurance Men in Cancer Drive

ST. LOUIS—Bennett G. Gregory, executive manager of the Insurance Board of St. Louis and Missouri Association of Insurance Agents, has been named chairman of a committee of 100 to aid in the campaign of the American Cancer Society.

Stratford Lee Morton, general agent Connecticut Mutual Life, is recruiting life men for the committee, and Fred H. Doenges, manager of Fidelity & Deposit, has lined up casualty and surety men.

### Anti-Separation Bill in Ill.

Representative Fred J. Smith has introduced in the Illinois legislature an anti-separation bill such as those passed in recent years in Indiana and Kentucky. It is unlikely that this bill will attract much interest either pro or con because the company organizations have voluntarily discontinued the practice of separation.

### Field Men at Fergus Falls

Several field men were on the program of the April meeting of the Park Agent's Regional Association of Minnesota at Fergus Falls. C. J. Wittbecker, St. Paul F. & M., talked on the new dwelling form; Arnold Lindeberg, Great American, on rates and rate-making; and Paul Olinger, Connecticut Fire, on aviation insurance and sales possibilities in that line.

### Wisconsin Factory, School Burn

At Watertown, Wis., the Ira L. Henry Company, manufacturing concern, had its plant totally destroyed by fire. There was \$137,000 insurance on the building and contents.

The school building of district No. 1 at Coleman, Wis., was practically destroyed by fire. There was \$84,000 insurance, and adjusters estimate the total loss to the insurers at \$60,000.

### Hoffman Speaks at Peru

George Hoffman, Western Adjuster, spoke to the Peru (Ind.) Association of Insurance Agents on "Actual Cash Value at Time of Loss." He explained how losses are handled and how adjusters determine the value of property after a loss.

### Mysterious Lansing Fires

LANSING, Mich.—A series of mysterious warehouse fires, attributed to an incendiary, has been occurring here. Two fires broke out almost simultaneously on opposite sides of East Michigan avenue on the outskirts of the main business district, destroying a large lumber shed and kiln and a warehouse containing furniture and electrical sup-

plies. Loss is expected to exceed \$200,000.

The two fires occurred a year to the day after a similar fire which wiped out a large truck freight warehouse and general storage depot. Investigators think the same arsonist was responsible for both.

Fire broke out in at least three different parts of the Ricker Lumber company yard. The shed and lumber were consumed, a large kiln was destroyed and a mill was damaged. Seconds later fire broke out in an old warehouse property across the street, owned by the Reniger Construction Co., and containing a large furniture stock owned by the Jury-Rowe Co., and electrical equipment owned by Barker-Fowler Co. Loss on the Ricker property, insured for \$100,000 through the Clyde B. Smith agency was estimated at slightly in excess of the insurance amount. The Reniger building loss also probably exceeds the \$35,000 insurance coverage, placed with the Carl Trager agency and Michigan Millers Mutual Fire. Reniger had \$3,900 rental insurance. The furniture and electrical losses were estimated at about \$60,000 and \$5,000, respectively.

### NEWS BRIEFS

C. R. Dobbins, assistant secretary of Reliable Fire of Dayton, has been making a field trip in Iowa and Nebraska.

The KC-Jones Club, employees organization of Kansas City Fire and Marine and R. B. Jones & Sons, will hold its spring party May 29.

Park R. Learned has established a general insurance business at 1545 Northwestern National Bank building, Minneapolis. He is a member of the Million Dollar Round Table and for several years was with Equitable society.

The movie film, "The Life Line of the Nation," was viewed by the Wichita Association of Insurance Agents at its "clean-up week" meeting arranged by Ross Little, chairman of the fire prevention committee. Vice-president William Cohen presided in the absence of President Dorth Coombs.

N. N. Kline of the Will S. Thompson-Kline Agency, Hutchinson, Kan., who suffered a heart attack in February, is reported "up and around" his home and hopes to be able to return to his desk soon, though for but brief periods.

Monthly meetings of the Salina (Kan.) Insurance Board are conducted by the members, each month one being assigned to "take apart" a policy that is of particular interest at the time.

Matthew P. Zendzian, Minnesota state agent of Fireman's Fund, will be the speaker at the May 3 meeting of the St. Paul Association of Insurance Women on "Modern New Personal Property Floater."

Miss Clara A. MacCubbin, vice-president National Association of Insurance Women, spoke at a dinner meeting of the Insurance Women of St. Louis Monday.

Ethel Brockett, Brockett Insurance Agency, has been elected president of the Insurance Women of Des Moines at the annual meeting. Arlene Janda and Cecil Pitman are vice-presidents; Blanche Miller and Twila Bale, secretaries; Ruth Coon, treasurer. Miss Clara MacCubbin, first vice-president of the National association, will speak May 23.

Frank M. Humphrey, Phoenix of Hartford state agent, will speak at the April dinner meeting of the Hutchinson (Kan.) Insurance Women. George E. Erickson, New Hampshire state agent, spoke at last meeting on personal property and jewelry and fur floaters.

Winfield S. Peacock, Pratt, Kan., local agent for 35 years, has retired. Alpha Bales has purchased the agency.

John J. O'Mara, returning war veteran and former clerk of courts for Dodge county, has opened an agency in Juneau, Wis. He has been in part-time insurance work since his discharge from the army in 1943.

## SOUTH

### Ala. Directors Ask Higher Commissions and License Law

BIRMINGHAM—At a conference here of the directors of the Alabama Association of Insurance Agents, the legislative committee was instructed to prepare an acceptable measure providing for minimum requirements for persons applying for license as local agents. The board also recommended that the association ask the companies to pay higher commissions to local agents. The rating bureau was asked to make a thorough investigation of fire rates on farm property with a view to reducing such rates.

The directors instructed the president to appoint a committee to study a proposed revision of the constitution. On the committee President Butler named Charles L. Gandy, Birmingham, chairman; Max Baum, Montgomery, and Joseph M. Ford, Birmingham.

Ed H. Moore, Birmingham, chairman of the Southeastern Agents Conference, and James O. Hargis, Alabama member of the central committee of the conference, spoke on its work. Mr. Moore also discussed the plans for carrying out the aims of the N.A.I.A. committee on financial accounts.

Yetta G. Samford, Opelika, state national director, reported on the meeting of the board.

M. R. McGruder, manager of the association, reported that the membership now includes 276 agencies having more than 650 persons licensed as local agents.

### Fla. '44 Premiums Are \$19,683,671

Florida premiums of stock and mutual fire companies last year totaled \$19,683,671, according to an abstract published by the Florida department. The losses totaled \$6,188,263. The stock company premiums were \$17,812,581.

The leaders were: Hartford, \$773,934; Aetna Fire, \$769,537; American Fire & Casualty, \$767,125; Home, \$706,016; North America, \$446,651; General of Seattle, \$383,954; Pearl, \$353,654; Continental, \$328,458; St. Paul, \$327,324, and Phoenix of Hartford, \$303,241.

The leading mutual was Growers Mutual of Dade City, Fla., \$253,644.

The reciprocals had Florida premiums \$331,742 and losses \$63,907.

### Auto Premium Finance Meeting

MEMPHIS, TENN.—A joint meeting of local agents and bankers sponsored by the Memphis Insurance Exchange to discuss cooperation between agents and bankers in financing auto insurance premiums, is scheduled for May 10.

The Tennessee Association of Insurance Agents will be represented by Secretary-Manager R. T. Cawthon. Mr. Cawthon will go to Atlanta in the meantime to observe the successful cooperation of the Atlanta Association of Insurance with an Atlanta bank in auto premium financing, and will give the meeting here the benefit of his observations.

### Ludolph Reviews Legislation

SAN ANTONIO—The San Antonio Insurance Exchange heard Secretary F. F. Ludolph review Texas legislative developments. He also presented a study as to the effectiveness of results

obtained through the use of third-class as compared with first-class postage.

E. G. Frazier, vice-president western department Springfield F. & M., Chicago, spoke briefly.

C. Oliver Sawtelle, chairman fire prevention committee, called attention to the efforts of some local lumber dealers to secure the modification of the city building code to permit the use of shingle roofs.

#### Agents to Aid G.I. Home Buying

MEMPHIS, TENN.—Local agents have been asked by B. W. Horner, state FHA director, to cooperate in determining the "reasonable, normal value" of homes to be sold to returning service men under the G. I. bill of rights. They are asked to submit a schedule of necessary insurance coverage on proposed "guinea pig" homes that would be planned completely by home building agencies.

#### Florida Local Boards Elect

The Lakeland (Fla.) Association of Insurance Agents has reelected its officers: President William Steitz, secretary, Dorothy Statham.

New Daytona Beach officers are: Howard Behle, president, succeeding Norman Hamilton; Mrs. Elizabeth Wilson, secretary (reelected).

Greater Miami Board: C. A. Thomas,

president, succeeding James A. Mixson; Miss Lillian Parker, secretary (reelected).

#### Gaiser San Antonio Manager

Continental Fire & Casualty of Dallas has opened a branch office in the Milan building, San Antonio. R. Z. Gaiser is branch manager.

#### NEWS BRIEFS

Robert Duncan, formerly special agent of the Eberle general agency of Oklahoma City, has moved to San Antonio and become a member of the Sergeant & Ryan agency, which will now be known as Sergeant, Duncan & Ryan.

W. S. Keese, Jr., of Trotter, Boyd & Keese, Chattanooga, former N. A. I. A. executive committeeman, has been named chairman of membership committee for Chattanooga, Inc., an advertising and promotional agency for the city and surrounding territory. Bart Leiper, former advertising manager of Provident Life & Accident, is executive director of the organization.

The committee on firemen's training of the National Fire Protection Association under Chairman W. A. Ross of the U. S. Department of Education will hold a two day meeting in the Chicago Board auditorium May 14-15.

## EASTERN STATES ACTIVITIES

### Berry, Warfield Slated at R. I. Meet

At the mid-year meeting of the Rhode Island Association of Insurance Agents,



J. R. Berry

the speakers on the subject of automobile insurance and automobile financing who will occupy most of the afternoon session are Carleton I. Fisher, president of the Rhode Island Association, speaking from the standpoint of the local agent; Joseph Jacobson, manager in-charge of the department Industrial Trust Co., Providence, speaking for the banks, and C. G. Hallowell, vice-president Aetna Casualty, speaking from the standpoint of the insurance company.

At the dinner meeting the speakers will be Guy T. Warfield, Jr., of Baltimore, member of the executive committee of the National Association of Insurance Agents, and J. Raymond Berry, general counsel of the National Board.

### Fireman's Fund Eastern Branch Marks 60th Year. Fred Morasch Is Manager

The eastern department of Fireman's Fund at Boston is completing 60 years of operation May 1.

Fred H. Morasch, who was appointed manager last September, is completing 26 years in the insurance business. He joined Fireman's Fund in 1935 as northern New Jersey special agent. In 1939 he was named general agent in charge of the eastern department's production activities and was promoted to assistant manager in 1940.

The department was formed in order to cultivate more aggressively the development of business in New England, middle states, District of Columbia, West Virginia and eastern Canada. Until that time the business had been supervised from Chicago. Of the 72 agencies representing Fireman's Fund in the east at the time, nine still represent the company.

The eastern department has a staff of more than 200 and normally there are 20 field men. The metropolitan fire and automobile division located at New York is one of the adjuncts of the department as well as the agency and brokerage departments maintained at Boston and New York. C. C. Hannah, now president of the Fireman's Fund, was at one time eastern manager as was James F. Crafts, now first vice-president.

### Slates Mays in Washington

Milton W. Mays, director of Business Development Office, is addressing a luncheon meeting of the Insurors Association of the District of Columbia Monday on "Will the Agent Receive More or Less of the Post-War Dollar?" Members of the Insurance Club of Washington and the Managers Association have been invited to attend.

### Doremus at Worcester

Frederick W. Doremus, vice-president of American, is addressing a luncheon meeting of the Worcester (Mass.) Board

of Underwriters Thursday on "Local Agency and Bank Financing for the Post-War Period."

### Auto Dealers Seek to Write B. I. & P. D. in Connecticut

HARTFORD — Vigorous protests were registered by Connecticut agents at a legislative hearing on a bill authorizing automobile dealers to sell automobile liability and property insurance. Insurance men contended that such legislation would interfere with their livelihood and would be contrary to the public interest. Commissioner Allyn appeared in opposition.

Sole advocate of the measure was Carl R. Lane of the Connecticut Automotive Association, who told the committee that his group had no desire to go into the insurance business, but had decided to sponsor this measure as a counter proposal to another bill before the legislature which would prohibit dealers from requiring automobile purchasers to buy fire, theft and collision insurance from specific insurance companies.

The insurance agents contended that the association's bill is purely a spite measure, and insisted that automobile dealers are not equipped to give the service to policyholders which trained insurance men are able to render.

Commissioner Allyn called the measure "an unfortunate bill . . . which would not be to the public benefit," explaining that it would tend to defeat the efforts of his department to raise insurance standards.

Mr. Lane said the cost of the insurance would be included in the installment payments, just as is now done for fire, theft and collision insurance.

### N. J. Insurance-Credit Forum

NEWARK—The New Jersey Association of Credit Men is holding an insurance-credit forum here Thursday, preceded by a dinner.

Principal speakers will be Herbert L. Brooks, president New Jersey Association of Insurance Agents and vice-president of the Joseph M. Byrne Co., of Newark, and William D. O'Gorman, president of O'Gorman & Young of Newark and former president of the state association.

The Wheeling (W. Va.) Association of Insurance Women held a dinner celebrating the first anniversary with Mary Ellen Hammond, president, in the chair. T. H. Pollock was the speaker.

X. R. Royster, local agent at Henderson, Ky., and president of the recently organized Southern Home Fire, which, it is proposed, shall do a fire insurance business on the industrial or debit collection plan, is visiting companies in New York.

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## PACIFIC COAST AND MOUNTAIN

### Revise Washington Reporting Premiums

SEATTLE—A number of changes in general and farm rules are being made effective April 20 by the Washington Surveying & Rating Bureau. The provisional reporting form minimum deposit and final premium of \$100 is changed, when the form is written on a term basis, to \$100 for the first year and \$75 for each additional year. The electrical apparatus clause may be dropped from policies or items covering stock only and a new electrical apparatus clause is provided for use and occupancy, extra expense, rent, leasehold interest and profits insurance.

Other changes have been made in fire department service charges, tenants improvements and betterments, reinstatement, short term risks, other insurance on growing grain and hop rules. The hop reporting form has been revised and the drying permit broadened to permit drying materials other than hops, at a 50% increase in the drying charge.

### Two-County Board in Cal. Observes 50th Anniversary

The Yuba-Sutter Counties Board of Underwriters observed its 50th anniversary at Marysville, Cal., April 19, with many business men in attendance. C. F. Aaron, president of the association, briefly welcomed the guests, explained the purpose of the meeting and reviewed the history of the organization. Other speakers were H. F. Badger, secretary of the Pacific Board; Jay W. Stevens, assistant manager National Board; Neal Harris, president California Association of Insurance Agents, and R. L. Ellis, vice-president of Fireman's Fund, representing President Charles C. Hannah, who was unable to attend because of illness.

Mr. Stevens stressed the importance of informing the public about the public services rendered by the insurance business. Mr. Ellis also emphasized the services of the companies and their organizations and pointed to the effect of such services on the welfare of communities and the people. He reviewed the progress of the past 50 years, broadening of coverages, reduction in rates and showed how the rates are based on experience, which is largely in the hands of the people themselves.

Mr. Harris complimented the organization for its many years of constant effort to improve the business. He told how Mr. Aaron, as a member of the farm and rural agents committee of the California association, has worked to give better service, coverages and lower costs to the people of the territory such as those attending the meeting.

Mr. Badger discussed regulation, federal legislation and government controls, which he said are not needed particularly in view of the splendid services given the people by the local board and the Pacific Board. He urged the development of cordial relations with government. "We have a brand new President and he has asked for guidance. Let us see that he receives it," he said.

### Half-Million Tent Pole Loss

An insured loss of approximately \$500,000 occurred at Bingen, Wash., a small town about 75 miles east of Portland on the Columbia river. The Twin Harbors Lumber Company's tent-pole plant was totally destroyed, including the pole treating plant adjacent, owned by Columbia Manufacturing Company. Fire is thought to have originated in defective wiring. It leveled the frame and frame-and-masonry, unsprinklered plant within a few hours. The plant manufactured more than half of all the tent poles being furnished the army, navy and marine corps. The blaze consumed 13 railroad cars on a siding, six of which were already loaded for shipment with completed poles.

Insurance was carried in stock companies and was widely spread because of lack of fire protection. Stock loss covered under provisional reporting form policy will approximate \$210,000, use and occupancy may exhaust the total coverage of \$200,000 carried, and equipment and buildings insurance loss will likely exceed \$75,000. Frank Wright, Portland manager of Fire Companies Adjustment Bureau, and A. F. Mansfield, general adjuster for the bureau, are handling the loss.

### General's Collision Increase

The General of Seattle companies have announced revised collision premiums for Washington and Oregon effective April 30. The new rates are 20 to 25% higher than previously, and follow similar revisions made in most other states in recent months. Establishment of revised rates in these two states has been delayed pending approval of the insurance departments who have had the proposed changes under advisement. The bureau companies have not announced their revisions, but they are expected momentarily. General's announcement carried a memorandum that intermediate and long haul collision premiums also have been increased.

### New Adjustment Partnership

Ralph G. Giesy and Frederick A. Greer have formed a partnership as Giesy & Greer, adjusters, in Portland, Ore. Mr. Giesy started in 1922 with the Phil Grossmayer Co. general agency in Portland, was in the field for National Liberty and later with Swett & Crawford, opening his own adjusting office in 1938.

Mr. Greer was formerly with the Loyalty group at Portland, later joined Fire Companies Adjustment Bureau at Portland, and since 1940 has been branch superintendent. He has supervised adjustment not only of automobile and legal liability claims, but also aircraft hull and inland marine coverages.

### Tacoma Prevention Ordinance

TACOMA, WASH.—As a direct result of the disastrous Maefair apartment fire which claimed 19 lives, the city council has enacted a sweeping fire protection ordinance.

It requires that open stairways and lightwells in apartments, store buildings, etc., of over three stories be enclosed in construction which will resist fire for at least one hour; that fire alarm systems of prescribed standards be provided in apartments, schools and factories and that numerous construction safeguards be used.

### Mansfield Back from Seabees

A. F. Mansfield has been honorably discharged from the Seabees after extended foreign service and will return to Fire Companies Adjustment Bureau as general adjuster at Portland, Ore.

He has been with F. C. A. B. 20 years in the northwest and Alaska.

A. H. Johnson of Portland is being transferred to the senior staff at Sacramento. He has been with F. C. A. B. since 1930.

### Home Advances Thomas Decker

Thomas Decker, city special agent in San Francisco of Home for many years, has been appointed assistant manager of the city department. He is a son of Ray Decker, Pacific Coast manager of Royal-Liverpool.

### Discuss Office Procedure

The Fire Underwriters Forum of San Francisco at its meeting April 27 will continue discussion of the report on office procedure, submitted several months ago by its research committee.

### NEWS BRIEFS

James E. Ragsdale, general agent of Western Life of Helena in Glendale, Cal., and Hazel I. Maag of Santa Ana were married at Las Vegas, Nev. Mr. Ragsdale also conducts a general insurance agency in Glendale.

A new Oregon law empowers directors of school districts to purchase liability insurance and also to cover high school athletes for medical and hospital benefits in connection with injuries sustained in accredited athletic contests.

The Insurance Women of Seattle installed new officers at the dinner meeting April 24. Dorothy Lane, London & Lancashire, is the new president; Meta Mitchell, Seeley & Co., vice-president; Margaret May, Security of New Haven, secretary, and Amelia Johnson, American Motorists, treasurer.

There are many opportunities for women in the insurance business, both as executives and producers, Miss Elsie Tolley, manager of the insurance department of the American Trust Company, told the San Francisco Insurance Women's League. However, she believes there remains some prejudice on the part of men against women advancing in the business world.

New officers elected by the Insurance Women of Denver are: Lois R. Collins, president; Irene F. Widmayer, vice-president, Elaine Tweedy and Jackie Girard, secretaries; Ethel Hirsch, treasurer.

## MARINE INSURANCE NEWS

### Reduce Cargo War Risk Rates

NEW YORK—A general reduction in cargo war risk rates has been put through by commercial underwriters. This follows a series of piecemeal cuts, and affects a wide range of voyages except North Atlantic crossings to the United Kingdom and northern Europe where submarines still are active and Latin American voyages where rates already were low. Nearly all of the reductions consisted of a flat ¼%, and were effective April 19.

The 2% rate between Aden and Calcutta is the highest on voyages affected by the general reduction, while the ½% on shipments between New York and Maderia, the Azores, Canary and Cape Verde Islands direct is lowest. Representative cuts on voyages beginning or terminating in the western hemisphere are:

Portugal, Spain Atlantic, Tangier, from 1 to ¾%; African Mediterranean coast to Tunis including Malta, 1½ to 1¼%; Africa-Mediterranean beyond Tunis, the Levant as far as Istanbul and the Gulf of Aden, 2 to 1¼%; West Africa as far as the Orange river, 1 to ¾%; East Africa between Beina and Aden, Madagascar, Mauritius, Reunion and Seychelles Islands, 2 to 1¼%.

The rates on trans-Pacific voyages directly from the West Coast are reduced from 1 to ¾%, and from Atlantic and Gulf ports via Panama from 1¼% to 1%. Between the Hawaiian Islands and Australia, New Zealand and Tasmania, the new rate is ¾%, ¼% less.

### Marine Syndicates Elect

Elections have taken place in the U. S. Salvage Association, American Marine Hull Insurance Syndicate and American Marine Insurance Syndicate for Insurance of Builders Risks. The president of U. S. Salvage, manager and chairman of American Marine Hull Syndicate and chairman of the builders risk syndicate is W. B. Harwood. The vice-president of the salvage association, and vice-chairman of the hull syndicate of the builders risk is D. C. Bowersock, president of Boston and Old Colony. Executive secretary of the salvage association is Michael F. McAlinden; treasurer, E. W. Schuler; secretary, S.

D. Livingston, and John Rohde and Guy A. Myers have been named deputy chief surveyors for the Great Lakes District.

Underwriters for the hull and builders risk syndicates are D. C. Anderson and Mr. Livingston; treasurer is Mr. Schuler and secretary, Mr. Livingston.

### Sullivan North America Marine Manager at L. A.

Arthur L. Sullivan has been made marine manager of North America's Los Angeles service office. He succeeds Raymond A. Mitchell, who transfers to Chicago as marine manager.

Mr. Sullivan is a native of England and has been, since 1938, marine manager of North America at Toronto, Canada. Previously, he had been, since 1933, branch manager of North America in Hong Kong, China.

### Campbell Made Deputy Manager

The North British group has appointed A. Campbell deputy manager for Canada and Newfoundland. He has been assistant manager.

J. A. Richards, division manager of Retail Credit for Canada, is in the Mayo Clinic, Rochester, Minn., where he will remain for two or three months.

H. E. Hilton of the insurance department of the U. S. Chamber of Commerce at Washington is visiting in Chicago this week.

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## Must Insure Impaired Drivers

(CONTINUED FROM PAGE 17)

Pennsylvania legislature prohibiting discrimination against physically handicapped people desiring motor vehicle liability insurance, Mr. Weir said. The bill has not yet been passed, but it indicates what the automobile insurance people can look forward to.

Extension of the assigned risk plan to cover all drivers in a state unable to procure automobile insurance in the regular way, and not just those who have failed to meet the requirements of a financial responsibility law, will not cover disabled service men satisfactorily, Mr. Mead said. Certain disabilities are excluded, and application of the surcharge under the assigned risk plan will develop

a bad public reaction. Disabled servicemen can hardly be separated from civilian disabled because in the public mind there is little difference between a man injured on a war front and one injured in a war industry. The commissioners' resolution, it is hoped, will take care of the situation until experience can be developed to show that the disabled are satisfactory risks or until a better system can be evolved. He said that when a risk cannot qualify under the commissioners' resolution, then it goes through the assigned risk plan.

### Issue Is "Either or Else"

The problem has been very troublesome in Minnesota, he added, and it is up in Wisconsin and Colorado. He suggested that if companies do not abide by their commitment under the commissioners' resolution, then something more drastic is likely to be devised by legislators. Some plan, he asserted, must work.

The meeting adopted a resolution stating that it was the consensus of opinion of those attending that the commissioners' resolution should be signed by the companies. So far Indiana, Virginia, Texas and Washington have sent the resolution to companies for signature.

The underwriter for another company related an experience with a disabled veteran who had lost one eye and part of a hand in an attempt to neutralize a land mine in action in North Africa. The company turned down the risk, but so much protest resulted that they accepted it at the regular rate. So far the driver's record has been very satisfactory.

### Procedure to Follow

As an underwriting matter, it was asked, how are companies going to handle disabled drivers? State Farm indicated that it had prepared a supplemental information form to bring out the extent of the disability, mental and physical, and providing for a word picture from the agent. This includes an outline of the figure of a man on which the disability can be located. It provides also for information as to artificial contrivances of the disabled person and mechanical devices he may use on his car. This plus a regular credit rating gives the company enough information to underwrite the business intelligently.

Some states in their driver's licenses limit persons with physical disability, it was brought out. For example, a man may not be able to drive except while wearing glasses, or unless the car is equipped with certain mechanical devices. The suggestion has been made that the insurance policies be limited in keeping with license limitations. The Virginia law does not permit the issuance of a limited policy, but a change has been advocated in that state to take care of the problem. The problem probably should be attacked at its source, it was suggested, through the motor vehicle department of the state, as in California.

### California Solution

Mr. Weir cited the work of W. A. Huggins, coordinator of traffic safety education of the department of motor vehicles in California. Mr. Huggins is working with army and navy hospitals on a program of educating patients on driving laws and in driving cars safely in spite of impairments.

Impaired civilians must be included in any consideration of the problem of underwriting impaired servicemen. Mr. Weir asserted. In 1938, five states reported 20,000 occupational accidents causing permanent disability injuries to eyes, arms, hands or feet, he said. That figure probably was close to 30,000 last year due to the increased tempo in war factories. There are also more physically impaired people driving cars now than before the war, he said. In one southern state there were 469 physically handicapped drivers involved in accidents in 1940, 473 in 1941 and 754 in 1942. It

was found that the percentage of fatal accidents by physically impaired persons was four times that of the group studied as a whole.

It will be comparatively easy to detect the impaired driver minus an arm or leg or sight of an eye, but what about the chap hard of hearing or with a mental disorder? Mr. Weir said he did not think much could be done with mental cases except to cancel the insurance when the discovery is made and hope to get off the risk before a serious accident happens. In California the other day a man who had been a bus driver before entering the army received a discharge and went back to his old job. An automobile backfired while he was driving the bus and he slammed on the brakes, jumped out of the vehicle, started to undress and dig a hole in the ground. Fortunately no one was injured.

### Burglary Discussion

L. M. Dunathan, assistant secretary Shelby Mutual Casualty, who was also program chairman, presided at the Wednesday session. There were animated discussions following the talks of Mr. Dunathan and D. K. Wentz, burglary and liability manager Shelby Mutual Casualty, on the money and securities broad form policy and the residence and outside theft contract. A number of the companies represented are not now writing burglary lines but are considering going into this field, so Messrs. Dunathan and Wentz were put to many questions about experience, claims, agency relations, etc.

There was naturally much interest in the mysterious disappearance feature of the residence policy and Mr. Wentz quoted legal opinion that this coverage is actually more restricted than many companies have indicated in their advertising. He said that his company will not pay a mysterious disappearance claim unless the assured reports the loss to the police, as required by the standard policy conditions.

### Increased Accident Frequency

An upturn in accident frequency after the war is certain, E. R. Warmoth, underwriting manager of State Farm Mutual Auto, said in discussing this subject, and rate increases will not be a cure-all. It is important that companies weed out those who become unsatisfactory risks, yet at the same time be extremely sympathetic to the producers' position in the matter.

Claim repeaters divide themselves roughly into five classes, he said. They are the careless person, the hard luck driver, the money back driver, the under pressure motor vehicle operator, and the over age driver.

Negligence losses are inexcusable, Mr. Warmoth continued. The size of such losses does not reflect the degree of miscalculation. A \$2 broken bumper could just as well be someone's leg leading to a \$5,000 liability settlement. The non-negligent property damage loss may disclose assured's attitude toward insurance, and those that turn up around premium payment date should be watched.

On the basis of experience, State Farm has found it can expect public liability loss once in 66.6 years, a property damage loss once in 13.3 years, a comprehensive coverage loss once in 7.2 years and a collision loss once in 3.4 years.

### Personnel Problems

H. A. Watson, Employers Mutual Casualty of Des Moines, said that the companies generally, he finds, are prepared to take care of servicemen who want to return to former jobs. He urged adoption of some plan of education to refresh returning servicemen.

Auto-Owners of Michigan, according to John Jacobs, after trying a number of ideas on agents' education discovered that the agent who needs it will not read or will not assimilate printed information. It is necessary to reach him with a field man or in regional meetings.

Arthur H. Alderfer of Harleysville

Mutual Casualty led a discussion of a clearing house for information on undesirable risks.

T. F. Campbell, vice-president of State Farm, presided at the second day's session. The next meeting will be held in Chicago June 20-21. About 50 attended the two day meeting last week.

## Brief Urges Tax Exemption of Mutuals Be Erased

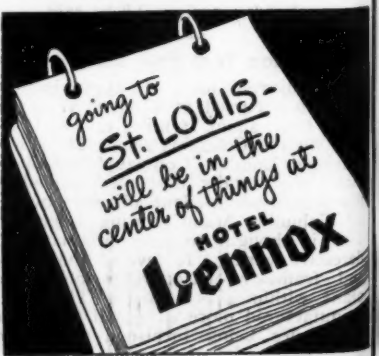
TORONTO—The joint stock companies have presented a brief to the Canadian Royal Commission that is investigating the matter of taxation of mutual companies. The brief was prepared by J. A. Mann, A. Leslie Ham of the Canadian Underwriters Association, and Aime Geoffrion. According to the brief, exemption of mutuals from income and excess profits taxes constitutes a state subsidy in favor of mutual policyholders and is class discrimination. It is set forth that 10 stock companies in 1942 reported net premiums of \$24,433,041 and paid \$800,089 income and excess profits taxes. In the same year 10 mutuals reported premiums of \$7,599,899 and of that group two paid taxes of \$29,700, these being stock mutuals that were not assessed prior to their 1940 business.

In 1942, according to the exhibit, 11 mutuals received investment income of \$557,185 which was free of income tax yet these receipts would be subject to assessment in the hands of a citizen or private company. In the four years 1940-43 the brief sets forth, stock companies paid 90.3%, 84.7, 100.6 and 109.6 of their underwriting profits in income and excess profits taxes.

The brief contends that all mutual insurers have taxable income and excess profits. They are bound to realize income and they are carrying on business and it is contended that they are taxable under both the income tax or excess profits tax measures. The brief contends that between a mutual and a stock company there is little or no difference in method of operation but only in the terms used to describe distribution of excess of income over expenditures.

The brief recommends that all tax exemptions with respect to insurers other than life be eliminated; that the tax on income and profits in respect of unincorporated insurers such as reciprocals be assessed to income tax upon the respective members and that the attorney-in-fact be assessed to income and excess profits tax in respect of the income and business profits of the organization remaining in his hands.

Thirteen member companies of the American Mutual Alliance have presented a brief contending that the premium tax imposed on mutual companies should not exceed the tax on stock companies; that companies transacting mutual business exclusively should continue to be exempt from income and excess profits tax; that the administration of a tax on insurance premiums is simple and effective and can be made equitable and that the basic tax on all insurance companies should always be a premium tax based on the net premiums, upon the actual cost of the insurance protection to the policyholder.



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*As the Hoosier pioneers said:*

**"Git a-plenty while  
you're gittin'"**



We admit that's probably as poor grammar as you've ever heard, but where bonds are concerned it makes good sense. Ask the man whose firm suffered an almost \$400,000 dishonesty loss when employees were covered by bonds amounting only to \$300,000. He'll tell you the advice is sound even though the King's English is murdered.

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